



Hanley

ECONOMIC

Building Society

Mortgage

Conditions and Explanations (2008)

This booklet, which is provided for reference purposes, contains the conditions and explanations in the mortgage deed signed by you.

thehanley.co.uk

Granville House, Forge Lane,
Festival Park, Stoke-on-Trent ST15TB



Mortgage Conditions and Explanations - 2008

The paragraphs headed "Introduction" and "Membership Rights" below are included purely for the purposes of clarity and do not form part of or amend the Mortgage Conditions and Explanations.

Introduction

This booklet explains how your mortgage works. It defines the terms used in the mortgage documents and sets out in detail the conditions that you accept when you sign your mortgage deed.

If you have any queries about these Conditions or Explanations, we will be pleased to help you. The paragraphs in this booklet are numbered in order to make it easy for you to refer to individual details if you have questions to ask.

Your solicitor or conveyancer should advise you about these Conditions and Explanations and the commitment you make when you take out a mortgage.

When you sign a mortgage deed, you automatically become a member of the Society and you will be bound by the Society's Rules.

We suggest that you keep this booklet in a safe place in case you want to check the Conditions and Explanations that apply to your mortgage.

Membership Rights

If there is more than one of you, the first named applicant in the mortgage application form will be the Society's member with borrowing membership rights. He or she is known as the representative joint borrower. If you wish to change the person who is the representative joint borrower, you can do so by giving notice to us. The change will take effect when the Society's records are amended.

The name provided in the mortgage application form must be in the same style as on any other account held with the Society to ensure that the Society does not provide duplicate mailings to you. Any previous error or discrepancy must be notified to the Society as soon as possible.

Membership will cease if the Society exercises its power of sale or takes possession of the property, and may cease if the Society transfers the mortgage under Condition N.

Financial Year

The Society's financial year is currently the period of 12 months ending on 31 August.



Index

- A** Borrower's and Guarantor's Covenants
- B** Powers of the Society
- C** Interest
- D** Variation of Interest
- E** The Monthly Payment
- F** Ending your Mortgage early (whole or part)
- G** Redemption
- H** Insurance Cover
- I** Life Policies
- J** The Policy Owner and You (if you are not the Policy Owner)
- K** Interest Only and Endowment Mortgages
- L** Leasehold Property
- M** Guarantors
- N** Transfer of the Mortgage
- O** Transfer of Property Subject to Mortgage
- P** Other Rights
- Q** Borrowers with a Mortgage on more than one Property
- R** Costs, Expenses and Fees
- S** What do you do if you are having trouble making your Mortgage payments?
- T** Notices
- U** Additional Loans
- V** Legislation
- W** Changes to Terms and Conditions
- X** Governing Law



Explanation of Terms in These Conditions

Throughout this booklet, the terms set out here are in bold print. When you come across a word in bold print when reading these **Conditions** this will remind you to look here for the meaning of those words. If there are other terms that you do not understand, your solicitor should always be pleased to help you. These Explanations form part of your agreement with us.

- 1. Additional Borrowing** is any sum of money lent by us under the **Mortgage Deed** after the original **Loan**. It does not include any loan which is a regulated agreement as defined by the Consumer Credit Act 1974. Any **Additional Borrowing** is subject to these **Conditions** and Explanations and any variation made at that time.
- 2. Assignment** is an agreement under which the benefit of a **Life Policy** is given to us for the term of the **Mortgage**. Instead of an **Assignment**, we may require you to deposit (that is to say, let us have possession of) the **Policy** during the term of the **Mortgage** (see **Condition 1**). The **Mortgage Offer** will state if we require an **Assignment** or deposit for your **Mortgage**.
- 3. Borrower** means the person or persons shown as **Borrower** in the **Mortgage Offer** and includes successors in **Title**. If two or more people are the **Borrower** then each one of them is liable for the whole of the **Total Debt**.
- 4. Capital Repayment** is an amount of at least the figure specified in the **Mortgage Offer** (or such other amount as we may specify in the future) paid to us, in addition to your **Monthly Payment** and any other amounts then due and payable. A **Capital Repayment** may be paid during a **Special Mortgage Scheme** if the rules of the Scheme allow, but early repayment charges may also be payable.
- 5. Completion Date** is the date on which we release funds for the **Loan**, that is to say, the day we post a cheque, or make an electronic transfer of money, to you or your solicitor or any other person on your behalf.
- 6. Condition** is a **Condition** or Explanation set out in this booklet.
- 7. Covenant** is a promise by you to us to do certain things under the **Mortgage**.
- 8. Endowment Policy** is a life assurance policy that pays a sum assured on a pre-determined maturity date or death of the **Policy Owner** if earlier. A premium is paid to the life assurance company which in return provides a guaranteed level of life cover with the expectation that the policy will produce a given maturity value at the end of the term of the policy. The policy term must not exceed the **Mortgage Term**. It is your responsibility to ensure that the maturity value of any **Endowment Policy** is adequate to repay your **Mortgage**. Annual checks with the life assurance company should be made by you to ensure that the **Endowment Policy** is on target to pay your **Mortgage** at the end of the **Mortgage Term**. If it is insufficient you will have to pay **Interest** on the debt until it is repaid.
- 9. Financial Year** is the financial year for the Society as set out in our Rules. We may change the **Financial Year** but, if we do, we will ensure that you will not be worse off as a result.



10. **Guarantor** is any person who has agreed to guarantee your responsibilities which are set out in these **Conditions** and Explanations should **you** fail to carry them out. The Guarantor will be named in the **Mortgage Offer**. The **Guarantor** will also include the personal representatives of the **Guarantor** if he or she should die. A **Guarantor** may or may not provide additional security by way of an additional Property which will be secured by a legal charge. You consent to our providing details of your **Mortgage** to any **Guarantor**.
11. **Higher Lending Charge** means a higher lending fee, which **we** usually charge if the amount **you** are borrowing is more than the maximum loan **we** would normally make on the **Property**. Part of this fee may be used by **us** to purchase additional security in the form of indemnity insurance. If **we** do purchase indemnity insurance this in no way affects your liability and promise to repay all monies owed to **us** in full, despite any claim that might be made by the Society on the insurance company, in the event that the **Property** is **Taken into Possession** and sold by **us** for less than the amount **you** owe. The insurer has the right to recover from **you** any monies paid to **us** under the indemnity insurance. **We** may seek to recover on the insurer's behalf the money **you** owe at the same time as recovering the balance of our loss which was not covered by indemnity insurance. The amount of the **Higher Lending Charge** (if any) is shown on your **Mortgage Offer**. If **you** require a fuller explanation of indemnity insurance, please ask your solicitor.
12. **Insurance** means Buildings or Buildings and Contents.
13. **Interest** means interest at the rate that applies to your **Mortgage** as specified in the **Mortgage Offer**. The rate of **Interest** may vary from time to time in accordance with **Condition D**. **Interest** will be charged and is payable on the **Loan** from the **Completion Date**. This applies even if **we** obtain a court order against **you** for payment of some or all of the **Total Debt**.
14. **Interest Period** means a **Financial Year** or any shorter period shown as the interest period in your **Mortgage Offer**. **We** may decide to reduce the **Interest Period**, if it is more than a day (so that, for example, **we** may change a **Mortgage** from yearly to daily interest). If **we** do this **we** will give **you** at least 30 days' advance notice of the change.
15. **Life Policy** means an **Endowment Policy** or other life assurance policy.
16. **Loan** is any sum of money which **we** lend to **you** under the **Mortgage Deed**. It includes further loans made after the date of the original loan. In releasing any **Loan** money to **you**, **we** do not guarantee that either the price or condition of the **Property** is reasonable. **You** must satisfy yourself on these points.
17. **Month** is a calendar month.
18. **Monthly Payment** is the amount which you must pay each **Month** on the **Payment Day**. Your initial **Monthly Payment** will be shown on your **Mortgage Offer**, but **we** may change the **Monthly Payment** in accordance with **Condition E**.



19. **Mortgage** is the entire legal agreement under which we lend you money and includes the **Mortgage Deed**, these **Conditions** and Explanations and your **Mortgage Offer**. By signing the **Mortgage Deed** you promise us that you will comply with everything contained in your **Mortgage Deed**, **Mortgage Offer** and these **Conditions** and Explanations and that you understand all the terms.

If there is any inconsistency between these **Conditions** and Explanations, the **Standard Conditions** and the **Mortgage Offer**, the **Mortgage Offer** will prevail.

The **Mortgage Deed** gives us certain rights over your **Property**. These rights may be exercised by us if you break the **Conditions** and Explanations of the **Mortgage**. If, for example, you fail to pay any of your **Monthly Payments** on time, we are entitled to take over your **Property** to sell it in order to recover the money you owe us. Our rights under the **Mortgage** continue until you have repaid all the money you owe us, including all **Interest** and any other charges.

You cannot take out a **Mortgage** with us if you are under 18 years old.

There are different types of **Mortgages**.

Repayment Mortgage

If you have a **Repayment Mortgage** with the Society the payments made comprise capital and **Interest**. The **Monthly Payment** is calculated so as to pay off the **Total Debt** by the end of the **Mortgage Term**, providing payments are made on time and in full.

There is no life cover in force in connection with a **Repayment Mortgage** unless you have made separate arrangements for this. You are recommended to make your own arrangements for life cover protection if you have not already done so.

Endowment Mortgage

If you have an **Endowment Mortgage** with the Society, the monthly payments you make to the Society consist of **Interest** only. They do not include any amount for the **Endowment Policy**, which is your responsibility. You must ensure that the guaranteed death benefit covers the amount of your **Mortgage** and that the maturity value is sufficient to redeem your **Mortgage** at the end of the **Mortgage Term**. It is your responsibility to make annual checks to ensure that policy proceeds will be adequate for this purpose. You must pay the premiums directly to the life assurance company. The term of the **Endowment Policy** must not be longer than the **Mortgage Term**.

You must make sure that you have **Assigned** to the Society the **Endowment Policy** (if we so require) and that it has sufficient guaranteed death benefit to repay your **Mortgage** in full.



Interest Only Mortgage

If you have an **Interest Only Mortgage** the monthly payments you make to the Society consist of **Interest** only. You will not have given to the Society any **Assignment** or security over any other means of repaying the capital amount of your **Mortgage** at the end of the **Mortgage Term** (e.g. ISA investment, pension plan). As there is no life cover in force in connection with your **Mortgage** you must make separate arrangements for this.

Your **Mortgage** may be made up of different elements, so that part of it is on a **Repayment** basis, and part of it is on an **Endowment** or **Interest Only** basis. Your **Mortgage Offer** will say if this is the case.

It is your responsibility to make certain that you have adequate capital available to pay the **Total Debt** at the end of the **Mortgage Term**. In order to achieve this you must ensure that an adequate repayment method is in place and you should check this annually. If an adequate repayment method is not in place you must ask us to convert your **Mortgage** to a **Repayment Mortgage** in order that your **Monthly Payment** will comprise capital as well as **Interest**. If your **Mortgage** is not paid off at the end of the **Mortgage Term**, **Interest** will be charged on the amount outstanding until it is fully paid off.

You must remember that if you pay your **Mortgage** early or surrender an investment or there is a change in your personal circumstances (for example long-term sickness or relationship breakdown) this can have an adverse financial consequence depending on the particular type of **Mortgage** or investment.

20. **Mortgage Deed** is the legal document you sign to give us security over the **Property**, and to say you understand all these **Conditions** and Explanations and that you will comply with all of them. These **Conditions** and Explanations have the same meaning in the **Mortgage Deed**.
21. **Mortgage Offer** means our written offer of loan to you. Your **Mortgage Offer** may consist of more than one document. We may withdraw a **Mortgage Offer** at our discretion. We will only do this in cases of fraud, misrepresentation, non disclosure of material information or **Title** defect, or any other matter that comes to light which adversely affects the value of the **Property** as security for a **Loan**, or which is inconsistent with the basis on which we made the **Mortgage Offer**. We will not be responsible to you for any loss if we withdraw a **Mortgage Offer**. If you do not accept the **Mortgage Offer** you will not be responsible for any loss suffered by us, although you must pay for any **Property Assessment Report** that has been carried out on the **Property**. Remember that you will be responsible for your own Solicitor's costs if you do not proceed with the **Mortgage**. Check your **Mortgage Offer** to find out when it will lapse.



- 22. Mortgage Term** is the period of time (usually up to 25 years) during which **you** agree to repay the **Loan** to **us** and is shown on your **Mortgage Offer**. This may be varied by agreement with ourselves. The **Total Debt** must be paid by **you** before or at the end of the **Mortgage Term**. If **you** have selected a term that extends beyond your anticipated date of retirement then **you** must ensure that **you** have adequate means to repay your **Mortgage** during retirement.
- 23. Other Rights** mean:
- (1) Any rights to which **you** may become entitled in respect of the **Property** for whatever reason. They may include:
- (a) compensation or other money received or receivable in respect of damage caused to the **Property** or because it (or any part of it) has reduced in value, or been compulsorily purchased;
 - (b) any agreement, option, right of pre-emption, guarantee or indemnity relating to the **Property** or its construction, state or condition;
 - (c) any share in or rights of membership in a management company, tenants' or residents' association relating to the **Property**;
 - (d) the benefit of any right to obtain the improvement of, or any payment in connection with, any roads, sewers, drains and other services or amenities relating to the **Property**;
 - (e) any policy providing insurance against any of the following risks, namely a defect in **Title** to the **Property**, an adverse right being enforced against the **Property** or revealed in a local authority search and an earlier dealing with the **Property** being set aside or varied by the Court.
- (2) Any other benefits which **you** may have or receive in respect of the **Property**, but not including money or grants payable to **you** in respect of maintenance or improvement of the **Property** or any money from an insurance policy which between **you** and **us** is dealt with in **Conditions H, I and J**.
- 24. Payment Day** means the day specified as such in the **Mortgage Offer**.
- 25. Planning and Housing Acts** means Acts of Parliament or Statutory Instruments in force from time to time relating to town and country planning and housing matters.
- 26. Policy Owner** means **you** if **you** are the owner of any **Life Policy** that is to be **Assigned** to, or deposited with, **us** in connection with the **Mortgage**. It can also mean any other person owning a **Life Policy** that is to be used in connection with the **Mortgage**. The **Policy Owner** also means anyone who takes over a **Life Policy** and who is not the original **Policy Owner**.
- 27. Power of Sale** is when **we** are entitled to sell the **Property**. This may happen whether or not **we** are in possession of the **Property**.



28. **Property** means all the Property (or any part of it) described in the **Mortgage Deed**. It includes all fixtures and buildings of any kind (including fixtures and buildings added after the **Completion Date**).
29. A **Property Assessment Report** is a report obtained by the Society for its own purposes to assess the adequacy of the **Property** as security before releasing any **Loan**.
30. **Receiver** is a person appointed to manage the **Property** when you have not fulfilled one or more of your covenants to us or when we can exercise our **Power of Sale**. The **Receiver** may be an officer of the Society. Your solicitor or conveyancer should explain this to you. The appointment of a **Receiver** does not mean that the **Property** has been **Taken into Possession** unless you are specifically notified by the **Receiver** or us that the **Property** has been **Taken into Possession**. A **Receiver** will (so far as the law will permit) be an agent of yours. Therefore you (and not us) are responsible for actions of the **Receiver**.
31. **Special Mortgage Scheme** is any product which is not at our **Standard Variable Rate** or is at our **Standard Variable Rate** but you have had the benefit of a cashback or other scheme benefit. A **Special Mortgage Scheme** may be for a specified period as set out in your **Mortgage Offer** conditions.
32. **Standard Variable Rate** means our standard variable rate of interest.
33. **Taken into Possession** means that the Society or a receiver has taken over your **Property**. Your rights, which might include receiving income produced by the **Property** such as rent paid by tenants, are also taken over. If the **Property** is **Taken into Possession** this does not necessarily mean that we actually occupy it. We can also appoint a **Receiver** to take over these responsibilities.
34. **Tariff of Mortgage Charges** means a list of charges that apply to your **Mortgage**. A copy of our current **Tariff of Mortgage Charges** is available on request.
35. **Title** is the documentary evidence that gives you proof of ownership of the **Property**.
36. **Total Debt** is the total amount you owe us under the **Mortgage**. It is explained in more detail in **Condition A1**.
37. **We and us** and the Society means Hanley Economic Building Society, and anyone who takes over the **Mortgage** from us.
38. **You** means the **Borrower** and anyone who takes over your responsibilities for the payment of the **Mortgage**. If there is more than one **Borrower** then all these **Conditions** and Explanations apply equally and separately to each of you. That means each of you is responsible on your own for the whole of the **Total Debt**.



A Borrower's and Guarantor's Undertakings

1. You and the **Guarantor** (if any) **Covenant** to us:
 - 1.1 To make **Monthly Payments** beginning with a payment on the first **Payment Day** and continuing until your **Total Debt** has been fully repaid, and to repay the **Total Debt** on or before the end of the **Mortgage Term**.

The **Total Debt** is all the money you owe us under the **Mortgage**. It includes the following:

- (a) the **Loan** and any **Additional Borrowing** (less repayments made);
 - (b) **Interest** on all **Loans**;
 - (c) **Interest** on any arrears of payments, in accordance with these **Conditions and Explanations**;
 - (d) any money owing to us as a result of your repaying the **Loan** or part of the **Loan** early under a **Special Mortgage Scheme**. If you have taken out a **Special Mortgage Scheme** details of any **Interest**, costs and other charges will be set out in the **Mortgage Offer**;
 - (e) any other early settlement charges or **Interest** due;
 - (f) all costs and expenses notified to you in respect of the arrangement of any **Loan** whether or not it is actually made;
 - (g) all insurance premiums which we have paid on your behalf (whether or not we arranged the insurance);
 - (h) any reasonable costs or expenses we incur in taking or defending any court actions in order to protect our security or any **Loan**;
 - (i) any other money, costs, expenses, fees or additional **Interest** that may become due and owing by you to us under these **Conditions and Explanations**, the **Mortgage Offer** or the **Rules** or by Law whenever they fall due.
- 1.2 To pay the insurance premium if you are responsible for insuring the **Property**. The **Mortgage Offer** will state if we are to insure the **Property** for you. It is your responsibility to ensure that the **Property** is insured at all times. (See also **Condition H**.)
 - 1.3 To do whatever is required by the **Mortgage** for as long as any of the **Total Debt** is unpaid.
 - 1.4 To do whatever is required by the deeds and documents affecting the **Property** and to comply with all regulations of the local or other authority including planning conditions which affect the **Property**.
 - 1.5 To complete (properly and without delay) any building work that is being carried out on the **Property** at the time your **Mortgage** is signed or at a later date.



- 1.6 To allow **us** to visit and inspect the **Property** at any reasonable time to ensure **you** have complied with your **Conditions** and Explanations or to obtain an assessment of the **Property**. Except in an emergency, **we** will give **you** reasonable notice of any inspection **we** propose to make.
- 1.7 To keep the **Property** in good repair and condition and to allow **us** to inspect the **Property** at a time that is convenient for **you** upon reasonable prior notice. If it is not in good repair the Society may require **you** to ensure that it is. It may require **you** also to complete any building works. **We** may also carry out works on the **Property** to ensure the **Property** is in good repair if **you** do not do so. **You** agree to pay **us** any costs and expenses **we** incur in this respect (see **Condition R1**).
- 1.8 Unless **you** obtain our written consent (which **we** will not unreasonably refuse) in advance, not to allow anyone to live in your **Property** or share occupation with **you** or grant any tenancy agreement or lease. If **you** do so, **we** are not bound by the conditions of such an agreement. Any consent that **we** may give may be subject to a fee or other charge, and will be consent for those people only and for a set period. It will not be consent for future occupiers or for any extended periods. Therefore **you** must ensure that consent is given by **us** before any future occupiers live in the **Property** or any extensions of time are given.
- 1.9 To comply fully with **Planning and Housing Acts** or any other legislation in relation to your **Property**. Your local authority may issue notices that relate to the **Property**. If that happens, **you** must send **us** a copy of the notices and keep us informed about your progress in complying with them. If **you** fail to comply we may carry out any necessary work. **You** agree to pay us any costs and expenses **we** incur in this respect. (See **Condition R1**.)
- 1.10 To obtain our written consent (which **we** will not unreasonably refuse) before making any alterations or additions to the **Property** or before changing its use. These works may require planning permission and/or building regulation consent, and **you** must ensure **you** comply with any **Planning and Housing Acts**.
- 1.11 Not to allow anything to be done to the **Property** which might increase your insurance premiums unless **you** obtain our written consent in advance.
- 1.12 Not to damage the **Property** or do anything to lessen its value in any way.
- 1.13 To ensure that all taxes, service charges, rates and rents are paid promptly in respect of the **Property**. **We** may have to pay any of these if they are not paid by you, to ensure that your and our rights in the **Property** are protected. **You** agree to pay **us** any costs and expenses **we** incur in this respect. (See **Condition R1**.)
- 1.14 Not to apply for a grant on the **Property** without first writing to **us**. If it is a grant from a local authority **you** will have to ask for our consent. The reason for this is that the grant may have to be paid back in certain circumstances prior to this **Mortgage**.
- 1.15 Not to take out any other loan secured on the **Property**, or otherwise create any charge over the **Property**, without first getting our written consent.
- 1.16 Not without our consent to sell or transfer the **Property** or any part of it to any other person.



- 1.17 If the **Property** is leasehold, not to ask your landlord for an extension of the lease, or agree any alteration to it, without our consent (which **we** will not unreasonably refuse). **You** must send **us** a copy of any notice **you** give or send to your landlord. If **we** give our consent **you** must comply with any conditions **we** require as a condition of our consent.
- 1.18 To ensure that, if the **Property** is sold by the Society and the sale proceeds after payment of any costs and expenses are less than the **Total Debt**, **you** immediately pay the shortfall to the Society with **Interest**.
- 1.19 To pay back the **Total Debt** if **we** give **you** at least three months' prior notice in writing. In these circumstances **we** would not charge any additional **Interest** or other charges, as set out in **Condition F3**.
- 1.20 To take, at your own cost, any action (including signing any documents) that **we** may reasonably require for protecting and enforcing the security given to us under your **Mortgage**.
- 1.21 If **we** reasonably so require, to grant to us (or to any person to whom **we** sell or intend to sell the **Property** in exercise of our **Power of Sale**) any rights of access, light or other amenities over any land owned by **you** neighbouring the **Property**, if they are reasonably necessary for the use of the **Property**.
2. If **you** fail to perform any of your obligations under these **Conditions**, **we** can perform them instead of **you** and pay any money which is necessary to perform them. **You** agree to pay **us** any costs and expenses **we** incur in this respect. (See **Condition R1**.)
3. If **you** fail to observe any of these obligations **we** have the right to sell your **Property** to recover the money **we** have lent you. If that happens the sale may not produce enough money to repay the **Total Debt**. In that case **you** will owe **us** the amount outstanding and **Interest** on that amount will be charged until full repayment has been made.
4. **You** give us an irrevocable power of attorney (that is, a power to act on your behalf) to sign any documents and take any action that **you** have agreed but failed to sign or take under your **Mortgage**.

B Powers of the Society

This section sets out the legal powers **you** will give **us** when **you** sign your **Mortgage Deed** and highlights some of the consequences if **you** fail to observe the **Conditions** of your **Mortgage**.

1. If **you** break any of your legal obligations under your **Mortgage**, **we** are entitled to do whatever may be necessary to fulfil those obligations on your behalf in order to protect the value of the **Property**. This may mean that **we** need to enter the **Property**. If **we** do so, that does not necessarily mean that **we** have **Taken the Property into Possession**. Except in an emergency, **we** will give **you** reasonable notice if **we** intend to enter the **Property**.
2. Under the Law of Property Act 1925 **we** have to tell **you** when the **Total Debt** becomes due and payable. For this purpose the **Total Debt** will become due on the date of the **Mortgage**.



3. The **Total Debt** will become immediately due and payable, and **we** will be able to exercise the **Power of Sale** or appoint a **Receiver**, without giving **you** any notice if **you** are in breach of any of the **Conditions** of your **Mortgage** or any one of the following happens (and for this purpose therefore the restrictions in Section 103 of the Law of Property Act 1925 shall not apply to your **Mortgage**):
 - 3.1 if **you** do not pay any **Monthly Payment** at the time it is due and payable;
 - 3.2 if a bankruptcy order is made against **you** or the **Guarantor** (if there is one) or **you** or the **Guarantor** enters into any arrangement with or for the benefit of the creditors of **you** or your **Guarantor**;
 - 3.3 if **you** fail to observe any other **Condition** or Explanation of your **Mortgage** (whether or not **you** keep up your **Monthly Payments**);
 - 3.4 if the **Property** becomes subject to a compulsory purchase order or if it is acquired or requisitioned by any authority legally entitled to do so;
 - 3.5 if **you** give the **Property** to us or if **you** abandon it;
 - 3.6 if any part of the **Property** is demolished without our consent;
 - 3.7 if any payment which is due under the **Insurance** is not paid or if the **Property** is not insured by **you** as promised;
 - 3.8 if a payment which is due under any **Life Policy** which has been **Assigned** or deposited with **us** is not paid;
 - 3.9 at the end of the notice given under **Condition A1.19**.
4. At any time or times after our **Power of Sale** has become exercisable **we** (or a **Receiver** appointed by **us**) may do any of the following:
 - 4.1 take possession of the **Property** and require **you** to leave it;
 - 4.2 require any tenants or workmen or others who may be in the possession of the **Property** to leave it unless they are there with our consent;
 - 4.3 carry out all the powers which are given to **us** and the **Receiver** by the Law of Property Act 1925 (except that the restrictions which are imposed by Section 103 of that Act will not apply) or the Insolvency Act 1986;
 - 4.4 accept surrenders of leases and grant or renew leases or tenancies of the **Property**, or sell or otherwise dispose of it;
 - 4.5 arrange and carry out all repairs, works, alterations, demolition, change of use under **Planning and Housing Acts**, additions, road schemes and developments to the **Property** and generally to manage the **Property** as **we** think fit;
 - 4.6 employ and also pay persons for carrying out any of these powers at a price or fee and upon any terms as **we** think fit;
 - 4.7 let and manage the **Property**;
 - 4.8 put any money which **we** receive in exercising any of these powers towards any future **Monthly Payments** that become due or towards other money that may be due or become due from **you** under these **Conditions** and Explanations;



- 4.9 at the time that **we** take possession of the **Property**, or afterwards, remove, store, sell or deal with any furniture or goods that **you** may have in the **Property** and that **you** have failed or have refused to remove. In exercising this additional power **we** will be acting as your agent. **We** will not be liable for any loss or damage that may occur and **you** will be responsible for our costs and expenses. (See **Condition R1**.) In carrying out this power **we** will not have any right to keep any of these items as security under the **Mortgage**;
- 4.10 after **we** have entered into possession of the **Property** or appointed a **Receiver** of it or any part of it, give up possession or remove a receiver if **we** give notice to **you**;
- 4.11 retain all sums allowed to **us** by way of commission or otherwise. They will belong absolutely to **us** and **we** will not be required to disclose or give **you** the commission;
- 4.12 divide the **Property** as **we** see fit and sell any part of the **Property** separately. **We** may also sell the **Property** for a price to be paid in installments over a period that **we** shall determine if **we** believe that **we** will be able to obtain a better price for the **Property**.
5. As the owner of the **Property**, **you** may belong to a management company or a tenants' or residents' association. If **we** have no **Mortgage** over those membership rights when **we** exercise our **Power of Sale** of the **Property**, **you** give **us** an irrevocable power of attorney to transfer your membership rights to the purchaser and to use any payment made for the transfer towards repayment of the **Total Debt**.
6. When the **Property** is sold, either by **you** or by **us**, it may not realise enough money to repay your **Total Debt**. If that happens, **you** must immediately pay **us** the difference and **Interest** will continue to be charged on the amount **you** owe **us** until **we** have received payment of the **Total Debt** in full. Your **Guarantor** (if **you** have one) may also be asked to repay the outstanding amount. (See also **Condition M**.)
7. The money that **we** receive after **we** have exercised any of the powers contained in these **Conditions** and Explanations will be used as follows:
 - 7.1 first, **we** will pay all costs and expenses which have been incurred by **us** or any receiver in exercising any of our rights under the **Mortgage** including the sale of the **Property** or any previous attempts to sell it;
 - 7.2 second, **we** will use any remaining money towards repaying the **Total Debt**;
 - 7.3 third, if any money remains after the **Total Debt** has been paid **we** will pay that surplus money to **you** or if **you** are not entitled to it to the persons who reasonably appear to **us** to be entitled to it (after making reasonable enquiries).
8. Our powers contained in the **Mortgage** are in addition to and are not instead of any other powers and remedies that **we** have by law. **We** will not be stopped from exercising any power given to **us** by law if **we** have already exercised any powers given in the **Mortgage**.
9. All costs and expenses that **we** pay or incur (or a Receiver that **we** appoint pays or incurs) in connection with any rights or powers given to **us** under this **Mortgage** in relation to the **Property** must be repaid by **you** to **us**. (See **Condition R1**.)



C Interest

1. We will charge and you will pay Interest:
 - 1.1 for the whole of the **Interest Period** on the **Total Debt** at the end of the previous **Interest Period**;
 - 1.2 on any **Loan** we make to you during the **Interest Period** from the **Completion Date** of the **Loan** until the end of the **Interest Period**;
 - 1.3 on any costs and expenses or fees which become due from you during the **Interest Period**, in accordance with these **Conditions** and Explanations.
2. If unpaid **Interest** is capitalised other than at the end of the **Interest Period**, this will be specified in your **Mortgage Offer**.
3. You should note that, if your **Interest Period** is a day (i.e. **Interest** is charged on a daily basis), then you will pay more interest if you choose to make your **Monthly Payment** on a day later than the **Payment Day**.
4. **Interest** for the period from the **Completion Date** of any **Loan** to the last day of that month should be paid separately to us. We will advise you of this amount following the release of the **Loan**. This **Interest** will be added to the **Total Debt** if it is not paid by the end of the **Interest Period**.
5. In calculating **Interest**, percentages will not be taken beyond three decimal places.
6. We will use any payments you make to us under the **Mortgage** in any **Interest Period** in the following way. First, we will use them to pay off any arrears and outstanding costs, expenses or fees, in such order as we may decide. (See **Condition R**.) Then we will use any balance to pay off any **Interest** you owe. Any remaining balance will be used to reduce the **Total Debt** at the end of the **Interest Period**.

D Variation of Interest

1. The **Interest** rate can be changed by us from time to time. The ways in which we can change the **Interest** rate are set out in the following conditions.
2. The **Interest** rate can be changed by giving notice. We will write to you personally to tell you about a change, and to notify you of your revised **Monthly Payment**. If the change is an increase, this will be in reasonable time before it takes effect. If we omit accidentally to give individual notification this will not affect the change in **Interest** rate being made and will not affect the change in **Interest** rate being applied to your **Mortgage**.
3. The **Interest** rate can be reduced without notice, but we shall inform you at the earliest opportunity.
4. We can change the rate of **Interest** for any of the following reasons (which may relate to circumstances existing at the time or those which are expected to apply in the near future):



- 4.1 to respond to changes in the Bank of England base rate, or mortgage or investment rates generally;
 - 4.2 to respond to changes in the law or the decisions of a court or ombudsman;
 - 4.3 to meet relevant regulatory requirements;
 - 4.4 to respond to new (or changes to) any statements or codes of practice designed to enhance consumer protection;
 - 4.5 to respond to changes in the costs incurred by us in providing the **Mortgage**;
 - 4.6 to respond to any increased cost or risk incurred by us as a result of any change of use of the **Property** (for example, if you let the **Property**, with or without our permission); or
 - 4.7 for any other reason set out specifically in the **Mortgage Offer**.
5. Any change that we make to the rate of **Interest** will be proportionate to the circumstances giving rise to the change.

E The Monthly Payment

1. You agree to pay us the **Monthly Payment** on each **Payment Day** until such time as you have paid the **Total Debt**.
2. The amount of the **Monthly Payment** has been calculated by us based on the amount of the **Total Debt**, the **Interest** rate and the **Mortgage Term** shown in the **Mortgage Offer**.
3. The **Monthly Payment** (or **Initial Monthly Payment** if applicable) may be changed by us from time to time by giving you notice in writing:
 - 3.1 when there is a change in the **Interest** rate or the **Mortgage Term**;
 - 3.2 if you have an **Initial Monthly Payment** and you are in a **Special Mortgage Scheme** and that **Scheme** ends or your **Endowment Policy** lapses, falls into arrears of premiums or is surrendered or you notify us that your chosen repayment vehicle is not adequate;
 - 3.3 when you have taken any **Additional Borrowing**;
 - 3.4 if you have made a **Capital Repayment** provided that there is or are no **Interest**, costs, expenses or fees owing to us. If there are, the money will be used to pay them off first;
 - 3.5 when we consent in writing to suspend your **Monthly Payment** for any period or agree to accept a reduced **Monthly Payment**;
 - 3.6 where we wish to recover costs or expenses payable by you under these **Conditions** and **Explanations**;
 - 3.7 if we need to ensure that the **Total Debt** is repaid by the end of the **Mortgage Term**;



3.8 by agreement with you.

4. The **Monthly Payment** may be rounded up to the next pound.

F Ending your Mortgage early (whole or part)

1. If you wish, you may repay all or part of your **Loan** before the date on which we originally agreed that the **Mortgage** would end. If you wish to repay all of your **Loan** before that date you will need to pay the **Total Debt**.
2. You will also be required to pay to us **Interest** calculated up to the day of receipt by us of the repayment money, or as otherwise specified in the **Mortgage Offer**. We will not release the whole or part of your **Mortgage** until all money has been received by us to clear your **Total Debt**.
3. There may be additional **Interest** or other early repayment charges to pay because your **Mortgage Offer** was taken out under one of our **Special Mortgage Schemes**. You will find the early repayment charges set out in your **Mortgage Offer**. It is important that you check your **Mortgage Offer** before redeeming the whole or repaying part of your **Mortgage** early. We will not release your **Mortgage** in whole or in part until all money has been received by us to clear your **Total Debt**.

G Redemption

If we release your **Mortgage** in error (because, for example, we miscalculate the amount of the **Total Debt**) we may claim from you any amount still owing. However, we will not be entitled to do this if we do not give you notice in writing within 3 months of the date of release (unless you were, or your **Guarantor** was, aware of the mistake at the time of the release), or if you can show you have changed your financial position as a result of the error, at a time when you were not aware of it.

H Insurance Cover

1. The **Property** must be fully and adequately insured. You are responsible for paying the premiums. You are responsible for ensuring that there is adequate insurance cover on your **Property** at all times.
2. If the **Property** is leasehold and insured by the landlord you must, on request, show us such documentation relating to the insurance policies as we may reasonably require. We must approve in writing the choice of insurer, but we will not unreasonably refuse approval.
3. If we decide that the **Property** is inadequately insured, we may take out Insurance on your behalf. We are under no obligation to you however to ensure that the **Property** is adequately insured.
4. If we insure the **Property** you will have to pay the premiums. This may be due to your failure to insure adequately. If you fail to do so, the cost of the premiums will be added to your **Total Debt** together with any costs and expenses we incur in administering the **Insurance**. Remember this may give us the right to exercise our **Power of Sale** and **Interest** will be charged on the premiums.



5. If we arrange any **Insurance** policy on your behalf we may retain any sums we receive, whether as commission or otherwise, from the insurance company and we shall not be required to account to you unless required by law to do so.
6. If a claim is made under any insurance policy we may negotiate all the details and settle claims with the insurers. We will act reasonably in doing so.
7. Money paid as a result of any buildings insurance claim must be used either to repay part of your **Total Debt** or to repair or rebuild the **Property**. If payment is made directly to you, this money is held by you in trust for us (i.e. on our behalf).
8. If you or any of your family or associates act in such a way that the insurers cancel your policy, we will have the right to demand repayment of your **Total Debt** and/or **Take the Property into Possession**.
9. You are responsible for telling your insurers about any changes in circumstances which may affect your insurance cover.
10. If you wish to make your own insurance arrangements you may do so on the following conditions:
 - 10.1 you must pay to us any administration fee if requested in accordance with **Condition R2**;
 - 10.2 you must pay all the premiums and other insurance charges;
 - 10.3 should we ask you to do so, you must give us receipts to show that the premiums are being paid;
 - 10.4 you must allow us to pay any insurance premiums which you fail to pay;
 - 10.5 you must deposit the insurance policy with us, if we ask you to do so;
 - 10.6 your insurance company must provide us with an undertaking in our standard format and the current schedule of insurance must be noted with our interest;
 - 10.7 our written consent must be obtained to the policy (we will not unreasonably withhold this consent if the policy meets with the minimum cover and conditions we require);
11. For the purpose of this **Condition H** section 108 (1) and (2) of the Law of Property Act 1925 shall not apply to this **Mortgage**. This means that the amount of any **Insurance** effected by us or our ability to effect any **Insurance** will not be restricted.

I Life Policies

1. This **Condition** applies to every **Life Policy** that may be used from time to time to secure obligations under this **Mortgage**. Your **Mortgage Offer** will indicate whether a **Life Policy** is required and whether we require an **Assignment** or a deposit of the policy with us. In the event that you do not for any reason keep up any **Life Policy** taken out in relation to an **Endowment Mortgage**, we reserve the right to convert your **Mortgage** to a **Repayment Mortgage**.



2. If we require a **Life Policy** as security and there is no **Assignment** of it, the policy will be treated as deposited with us and we will have an equitable charge on it. The **Policy Owner** appoints us to be their attorney so that we can assign, surrender or sell or otherwise deal with the policy or the policy money. The **Policy Owner** cannot revoke this appointment unless and until the **Total Debt** is repaid.

J The Policy Owner and You (if you are not the Policy Owner)

1. The **Policy Owner** and you (if you are not the **Policy Owner**) **Covenant** as follows:
 - 1.1 to **Assign** the **Life Policy** to us (if we so require);
 - 1.2 to pay on time all premiums and other money necessary for keeping the **Life Policy** in force. If a premium is not paid on time this allows us to exercise our **Power of Sale**;
 - 1.3 to produce to us (if we ask) a receipt for any payments of premiums that you make;
 - 1.4 that the **Life Policy** is valid and in force and that the **Policy Owner** will not do anything or permit anything to be done which would make it invalid or which would prevent us from receiving the policy money. The **Policy Owner** must not give or attempt to give to any other person any interest in the policy or proceeds of it;
 - 1.5 that should there be any possibility of the **Life Policy** becoming invalid the **Policy Owner** will do everything necessary to keep it in force. If the **Life Policy** does become invalid the **Policy Owner** will do everything necessary to put into force a new policy on the same life or lives and for the same amount as in the old policy. For the purposes of the **Mortgage** and these **Conditions** and **Explanations** any new policy will automatically take the place of the old one and if it is not **Assigned** to us it will be treated as deposited with us and we will have an equitable charge on it.
2. If there is any failure by the **Policy Owner** to comply with the above **Condition** or if we are able to exercise our **Power of Sale** in respect of the **Property** we may also do any of the following (so far as applicable, depending on the type of **Life Policy** concerned):
 - 2.1 we may surrender the **Life Policy** to the insurers;
 - 2.2 we may exchange it for a fully paid **Life Policy**;
 - 2.3 we may make such other arrangements as we think fit for realising the value of the **Life Policy**;
 - 2.4 we may arrange for the sale of the **Life Policy**;
 - 2.5 we may make such other arrangements with the insurer as we reasonably decide.



3. Any money that **we** receive in respect of the **Life Policy** at any time or for whatever reason will be used to reduce or discharge the **Total Debt**.
4. If the **Total Debt** is repaid **we** will, if requested, give the **Life Policy** back to the person entitled to it so that **we** no longer have any right to the policy. Any costs that **we** incur in doing this must be paid by the person entitled to the policy.
5. If the **Total Debt** is repaid to **us** **we** may (with the agreement of the **Policy Owner**) keep the **Life Policy** to be used in connection with the payment of other money that **we** may have lent to **you** or that **we** may lend to you by a new **Mortgage**. In this case the conditions that will govern that **Mortgage** will then apply.
6. The **Policy Owner** (when this is not **you**) **Covenants** not to compete with **us** in claiming the **Life Policy** or any money payable on it until the **Total Debt** has been repaid in full.
7. The **Policy Owner** **Covenants** that no money has been or will be borrowed from the insurer by the **Borrower** or the **Policy Owner**, and that no monies have been or will be borrowed from any source by the **Borrower** or the **Policy Owner** or any other persons under any option or privilege conferred by or in connection with the **Life Policy**.
8. **We** will be entitled to keep any commission **we** receive from the sale of the **Life Policy**.

K Interest Only and Endowment Mortgages

1. If **we** allow **you** to pay your **Mortgage** (or any part of it) on an interest only basis **you** will at the end of the **Mortgage Term** repay the **Total Debt** to **us** from your own resources. **We** reserve the right (but are not obliged) at any time during the life of your **Mortgage** to convert your **Interest Only** or **Endowment Mortgage** (or the relevant part of it) to a full **Repayment Mortgage** if for any reason **you** do not keep up your payments under the **Mortgage** or in respect of any repayment vehicle, or if **you** fail to comply with any of the other **Conditions** and Explanations of your **Mortgage**.
2. It is your responsibility to check that any repayment vehicle is adequate to redeem your **Mortgage** at the end of the **Mortgage Term** and that there is sufficient life cover in the event of your death. If there are insufficient funds **you** will have to pay **Interest** until the **Total Debt** is repaid.



L Leasehold Property

1. You must ensure **you** pay all service charges and ground rent promptly to your landlord. If there is a dispute **you** must inform **us** immediately. **We** may pay your landlord any monies due to prevent your landlord from entering into possession of your **Property**. **You** agree to pay **us** any costs and expenses **we** incur in this respect. (See **Condition R1**.)
2. If the **Property** is leasehold there will be included in the **Mortgage** any extended lease which may be granted to **you** in substitution for the original release.

M Guarantors

Your **Mortgage Offer** may require **you** to provide a **Guarantor** for your **Mortgage**. By signing the **Mortgage**, the **Guarantor Covenants** to pay your **Total Debt** if **you** fail to do so. These **Mortgage Conditions** and Explanations apply equally to the **Guarantor** as they do to **you**. The **Guarantor** will be given a copy of these **Conditions** and Explanations and will sign your **Mortgage Deed**.

BY GIVING A GUARANTEE, THE **GUARANTOR** MAY BECOME LIABLE INSTEAD OF, OR AS WELL AS, **YOU**. A **GUARANTOR** SHOULD TAKE INDEPENDENT LEGAL ADVICE BEFORE SIGNING THE **MORTGAGE DEED**.

1. The **Guarantor Covenants** to the Society to be equally as responsible as **you** for all the **Covenants** and obligations and **Conditions** in connection with this **Mortgage**, and to pay **us** on demand any sums of money due from **you** under the **Mortgage** but unpaid, including all amounts comprising the **Total Debt**.
2. Any arrangements that **we** make with **you** will not affect the obligations of the **Guarantor** to pay your **Total Debt** if **you** fail to do so. In particular, the liability of the **Guarantor** will not be affected whether or not:
 - 2.1 **we** have made a previous demand, or the **Guarantor** has made a previous payment;
 - 2.2 **we** allow **you** or the **Guarantor** additional time to make any payment or any other concession;
 - 2.3 **we** take any other security in relation to the **Total Debt**, or any such security is not enforceable for any reason;
 - 2.4 **you** (or any of **you**) or any person comprising the **Guarantor** dies, becomes insolvent or incapable of managing their affairs; or
 - 2.5 anything else happens, or any action is taken or not taken, which might (apart from this **Condition**) affect the liability of the **Guarantor**.
3. The **Guarantor** does not have any rights or interests in any monies held by **us** or acquired by **us**, whether from **you** or any other source, towards the reduction of the **Total Debt**.



4. The **Guarantor** agrees:-
 - 4.1 not to share in any security **we** have or take any security from **you** or any other person in connection with this guarantee;
 - 4.2 not to enforce any right or pursue any claim against the **Borrower** or any other persons in respect of the **Mortgage**;
 - 4.3 not to make any claim which would compete with ours unless and until the **Total Debt** has been repaid in full.
5. The **Guarantor** will not be responsible for any **Additional Borrowing** or **Interest** relating to that **Additional Borrowing** unless the **Guarantor** has consented to that **Additional Borrowing** in writing.
6. Unless the **Guarantor** agrees otherwise, the **Guarantor's** liability under any guarantee given is limited to the amount of the initial **Loan** together with all **Interest**, costs, charges and expenses forming part of the **Total Debt**.
7. If **you** or your **Guarantor** are declared bankrupt or go into liquidation, administration or receivership **we** will immediately be entitled to exercise our rights to sell the **Property** without giving **you** any further warning of the fact.
8. If there is more than one **Guarantor** each **Guarantor** is separately responsible for the whole of the obligations and liabilities of the **Guarantor** under the **Conditions** and Explanations.
9. Our rights against any **Guarantor** are independent of, and additional to, any other security **we** have for the **Total Debt**. **We** do not have to use our rights in respect of any other security before using our rights to claim against the **Guarantor**.
10. No failure or delay by **us** in using any of our rights against the **Guarantor** will prevent us from using those rights in the future.
11. **We** may hold any money **we** receive from a **Guarantor** in a separate suspense account.
12. Any correspondence sent to **you** will be treated as having been sent to the **Guarantor** as well.

N Transfer of the Mortgage

1. **We** may at any time transfer some or all of our rights under the **Mortgage** (including our rights against any **Guarantor**) to any person, whether or not a building society. However, **we** will only transfer our rights if **we** reasonably think that the policies operated by that person in connection with the **Mortgage** are not less favourable to **you**, to any material extent, than the policies **we** were following before the transfer.



2. In connection with such a transfer:
 - 2.1 if it is a full transfer of your **Mortgage**, you will cease to be a member of the Society, and our Rules will cease to apply (although if the transferee is a building society, you may become a member of the transferee, in which case its rules will apply);
 - 2.2 we may disclose any information relating to you and the **Mortgage**;
 - 2.3 unless the terms of the transfer state otherwise, the person to whom we transfer the **Mortgage** will be able to exercise all the rights and powers that we could exercise before the transfer.
3. This **Condition** does not apply to a transfer of the **Mortgage** on a merger between us and another building society, or to a transfer of our business to a company under the Building Societies Act 1986. Instead, the provisions of that Act will apply.

O Transfer of Property Subject to Mortgage

1. You may, subject to these **Conditions** and Explanations and our consent (on which we may impose conditions), sell or otherwise transfer the **Property** subject to the **Mortgage**.
2. Upon such a sale or transfer, you must pay to us all sums then owing (or such lesser amount as we may decide) under the **Mortgage**.
3. The purchaser or transferee shall, from the date of the transfer, become answerable to us for all your liabilities arising under the **Mortgage**. If so, we may release you at your expense. The transferee shall not be registered in our records nor will you be released from your obligations to us unless:
 - 3.1 the requirements of **Conditions** 1 and 2 above have been fulfilled;
 - 3.2 the deed by which the **Property** has been transferred and such further deeds, if any, as we may require have first been approved by or on behalf of us, without cost to us; and
 - 3.3 such deed or deeds have been deposited with us.

P Other Rights

1. So far as you can (but only until the time when the **Total Debt** is repaid) you:
 - 1.1 assign to us all **Other Rights** that you have or may be entitled to have. This will include copyright in any designs or plans made in respect of the **Property**;
 - 1.2 agree that you will hold all **Other Rights** on our behalf;



- 1.3 appoint us irrevocably to be your attorney to act for you to do the following:
 - (a) to do all such things to assess, agree, obtain, enforce and recover **Other Rights**;
 - (b) to give any notices or counter notices in relation to **Other Rights**;
 - (c) to carry out or enforce any right in respect of the **Property** which you may have by law or which you may have or become entitled to against any local authority or other body.
2. Any money received in respect of **Other Rights** must be used to reduce the **Total Debt** unless we tell you in writing that it can be used to restore or improve the **Property**.

Q Borrowers with a Mortgage on more than one Property

If you have more than one property mortgaged to us this **Condition Q** applies to you.

1. If you wish to pay off the loan secured on any of your properties you may at the same time have to pay the **total debt** secured on all or any of your other properties if we require you to do so, before we release the **Property** from the **Mortgage**. Section 93 of the Law of Property Act 1925 will not apply to the **Mortgage**.
2. This **Mortgage** will be security not only for the **Loan** but also for all money which may at any time be owing by you to us on any other mortgage with us. This means that if you fail to make any **Monthly Payments** on any mortgage with us and we sell the **Property** or you sell the **Property**, any surplus funds will be applied to any remaining mortgage with us. If money is still owing on any properties that have been sold that amount will be added to the amount owed on your other properties still remaining in mortgage to us. In these circumstances we are still able to take legal action to recover your **Total Debt** on the properties not yet sold.
3. **Conditions** 1 and 2 above do not apply to money which is owing to us under a loan which is a regulated agreement as defined by the Consumer Credit Act

R Costs, Expenses and Fees

1. Where we are entitled under these **Conditions** to recover from you any costs or expenses incurred by us, then:
 - 1.1 you must pay them to us as soon as we give you written notice to pay them;
 - 1.2 you must pay them to us in full, as long as they are reasonable; and



- 1.3 if you do not pay them to us upon request, they will be added to the **Total Debt** and Interest may be charged on them from the date the notice is given.
2. We may charge fees for items relating to the making of a **mortgage** loan, the operation of your account, the storage of title deeds or the mortgaged **Property**. The fees will take account of the expenses we incur and the cost of staff time and the use of our office and computer facilities. You must pay any fee we charge under this **Condition R2** as soon as we give you written notice to pay it. If you do not pay it, **Interest** may be charged on it from the date the notice is given.

We will tell you about our current fees in our **Tariff of Mortgage Charges**. We can change our fees as follows:

- 2.1 We can change the fees we charge at any time. Changes may include the abolition of, or amendment to, existing fees, or the introduction of new fees and may be made if we reasonably believe that the change is needed for any of the following reasons (which may relate to circumstances existing at the time or those which are expected to apply in the near future):
- (a) to respond to changes in the costs (including tax) we incur in providing the service, or carrying out the function, to which the fee relates;
 - (b) to meet relevant regulatory requirements;
 - (c) to respond to new (or changes to) any statements or codes of practice designed to enhance consumer protection.

Any changes that we make to our fees will be proportionate to the circumstances giving rise to the change.

- 2.2 Where we introduce new fees, or increase existing fees, we will tell you about the change, not less than 30 days before it takes effect, as follows:
- (a) by letter or other personal notice; or
 - (b) by sending you a copy of our revised **Tariff of Mortgage Charges**; or
 - (c) by general notice in our branches and Principal Office, together with advertisements in two or more newspapers of our choice. You can find out which are the relevant newspapers by contacting any branch or our Principal Office.
- 2.3 A change which abolishes a fee, or reduces the amount of an existing fee, may be introduced with immediate effect and without notice.



S What do you do if you are having trouble making your Mortgage payments?

1. If you are having problems making your **Monthly Payment** we may be able to help you. Whenever you think you may have a problem it is important to contact your local branch or our Principal Office. We can sometimes defer a **Monthly Payment**. This means that your **Total Debt** may increase and your **Mortgage Term** may also increase. We may be able to make special arrangements allowing you to alter the amount and timing of your **Monthly Payments** or make other agreed variations to the product type or **Mortgage Term**.
2. You must remember that if any help is given to you this does not release you from any of the **Conditions** and Explanations of your **Mortgage**. It is particularly important to realise that any special arrangement that we might make does not affect our rights over the **Property** including the right to exercise our **Power of Sale** together with the right to collect from you the **Total Debt**. If you have a **Guarantor** any special arrangement made by ourselves will not alter the **Guarantor's** legal responsibility to repay your **Total Debt** should you fail to do so.
3. It is your responsibility to satisfy yourself as to the effect of any special arrangement on your **Mortgage Term**, the **Total Debt** and/or the amount of your **Monthly Payment**.

T Notices

1. If we have to serve on you a letter or personal notice or other document under this **Mortgage** it will be in writing and sent to your registered address or other last known address.
2. If we send a notice in the post you are deemed to have received it by the time specified in the Society's Rules or, if the Rules no longer apply (by virtue of **Condition N2**), 48 hours after we have posted it regardless of the class of post used.
3. If there is more than one of you, then if you share the same address, we will send a single copy of the notice addressed to each of you. If you have different addresses, we will send a copy of the notice to each address.
4. If we serve a notice on you this is as good as if we had served it on the **Guarantor** as well.
5. If we, accidentally, fail to:
 - 5.1 send to you a communication intended for our borrowers generally or a category of our borrowers of which you are one; or
 - 5.2 display a notice at our Principal Office or any branch officethis will not make the notice invalid.



U Additional Loans

Although we are not obliged to make any additional loans to you the **Mortgage** has the effect of securing any Additional Borrowing. (Also known as further advances)

V Legislation

Any reference to an Act of Parliament includes reference to that Act as amended or replaced.

W Changes to Terms and Conditions

We may change the terms and conditions applying to your **Mortgage** if we give you not less than one month's written notice, as long as the change does not work to your disadvantage. We will only make such a change to reflect the requirements of any regulation, to clarify any existing term or condition or make it fairer, or to enable us to enhance the terms of your **Mortgage**, or to correct any errors.

X Governing Law

The **Mortgage** (including these **Conditions**) shall be construed in accordance with and subject to the law of England and Wales and the **Borrower**, the **Mortgagor** and the **Guarantor** submit to the non-exclusive jurisdiction of the English and Welsh courts.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE



YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

[thehanley.co.uk](https://www.thehanley.co.uk)

