



Registration of a Charge

Company name: **D & J PROPERTY HEREFORD LTD**

Company number: **09686920**



X500PW8W

Received for Electronic Filing: **04/02/2016**

Details of Charge

Date of creation: **03/02/2016**

Charge code: **0968 6920 0001**

Persons entitled: **ONESAVINGS BANK PLC**

Brief description: **BY WAY OF FIRST LEGAL MORTGAGE THE PROPERTY KNOWN AS
25 WINDSOR STREET, SWANSEA SA2 0LN WITH REGISTERED TITLE
NUMBER WA919488**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT
TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC
COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

TLT LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9686920

Charge code: 0968 6920 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd February 2016 and created by D & J PROPERTY HEREFORD LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th February 2016 .

Given at Companies House, Cardiff on 5th February 2016

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Date: **3 February 2016** Advance: **£125,625.00** (Receipt of which is acknowledged)

The Borrower: **D & J PROPERTY HEREFORD LTD** Company number **09688920**

The Bank: OneSavings Bank plc registered in England and Wales (company number 7312896) whose registered office is Reliance House, Sun Pier, Chatham, Kent ME4 4ET, trading as Kent Reliance Banking Services, Kent Reliance and krbs.

The Property: **25 WINDSOR STREET
SWANSEA
SA2 0LN**

Land Registry Title Number: **WA919488**

1. This Mortgage incorporates the OneSavings Bank plc Mortgage Conditions dated 5th October 2015, a copy of which has been supplied to the Borrower.
2. The Borrower with full title guarantee and as a continuing security for the payment or discharge of all monies payable to the Bank by the Borrower:
 - a) charges the Property to the Bank by way of first legal mortgage;
 - b) assigns absolutely to the Bank the benefit of all:
 - (i) rights and claims of the Borrower now or at any time against tenants or occupiers of the Property or their guarantors;
 - (ii) rights and claims of the Borrower now or at any time against managing agents, professional advisors, suppliers or contractors in relation to the Property; and
 - (iii) guarantees, insurances or compensation monies now or at any time relating to any of the Property.
3. This Mortgage secures further advances but does not oblige the Bank to make them.
4. The Borrower hereby applies to the Chief Land Registrar for the registration against the registered title to the Property of a restriction in the following form: "No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated ____/____/____ in favour of OneSavings Bank plc referred to in the charges register."

WHERE THE BORROWER IS AN INDIVIDUAL OR INDIVIDUALS

SIGNED as a deed by the Borrower(s) in the presence of the witness

Signature(s):

Witness – signature and address:

WHERE THE BORROWER IS A COMPANY

SIGNED as a deed by the Borrower acting by a Director of the Borrower in the presence of the witness

Signature of Director:

Witness – signature and address:

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Name of Director (printed):

JACQUELINE ANN THOMAS

1st Paul Steel
Hooper Hill 2nd
Solihull

Form of charge filed at Land Registry under reference MD1294N



Mortgage Conditions

Effective 05 October 2015
(England and Wales)

KentReliance

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This booklet sets out the terms and conditions that apply to your mortgage with us and forms part of the legal arrangements of your loan together with the other elements of the Mortgage Contract. Please note that these terms and conditions apply to both our residential mortgages and our buy-to-let mortgages. It is very important that you read them carefully and make sure that you fully understand them. If there is anything you do not understand in this booklet, or any of the other documents we provide for your mortgage, you must ask your legal adviser to explain them to you.

1. Understanding These Conditions

- 1.1 The following words and phrases shown in **bold** in these Conditions have the following meanings:

Account

The account we keep to record what you owe us and the payments you make under the **Mortgage Contract**.

Additional Borrowing

An extra amount we lend you after the initial **Advance** and which is secured by the **Mortgage**.

Additional Borrowing Offer

An offer from us for **Additional Borrowing** as amended, varied, replaced or supplemented from time to time.

Advance

Any amount we have agreed to lend you under the **Mortgage Contract**.

Application

The application you make and any information you give us (or which is given on your behalf) so that we can complete your **Loan**.

Bank of England Base Rate

The Bank of England's base rate of interest (or any other interest rate set by a central banking financial institution which we reasonably specify as comparable in the event that the **Bank of England Base Rate** should cease to exist or be published) which may vary from time to time.

Borrower

The person or persons named in the **Offer** as borrowers to whom the **Loan** is provided.

Business Day

Any day other than Saturdays, Sundays or bank holidays in England and Wales.

Buy-to-Let Mortgage

A **Loan** where the **Offer** indicates the **Loan** is for the acquisition or remortgage of a **Property** for letting purposes.

Capital Repayment Mortgage

A **Loan** which is shown in the **Offer** as being on a capital repayment basis and where the **Monthly Payments** will be calculated to repay all the capital with interest over the **Term**.

Commercial Mortgage

A **Loan** where the **Offer** indicates the **Loan** is being used for a business purpose and where the **Mortgage Contract** is not a regulated mortgage contract under UK law.

Completion

The date which your legal adviser specifies for release of the **Advance**.

Conditions

The conditions set out in this booklet.

Early Repayment Charge

A charge we may make when all or part of the **Loan** is repaid before the end of the **Term**. The charge is set out in the **Offer**.

Direct Debit

A payment taken under the Direct Debit Scheme of Bacs Payment Schemes Limited or any successor scheme.

Expenses

Those expenses listed in condition 15.

Fees

Those fees listed in the **Tariff** and/or the **Offer**.

Guarantee

An undertaking to guarantee the **Borrower's** obligations to us.

Guarantor

A person or persons providing a **Guarantee**.

Interest-Only Mortgage

A **Loan** shown in the **Offer** as being on an interest-only basis and where the **Monthly Payments** will be calculated to repay the interest only over the **Term** and not any of the capital. The capital will be repayable in full at the end of the **Term**. In respect of an **Interest-Only Mortgage**, you will be responsible for making suitable arrangements to pay off the capital at the end of the **Term** in accordance with condition 10.

Interest Rate

The rate or rates of interest that will apply at any time to the **Loan** or any part. The initial rate or rates of interest are stated in the **Offer** although these rates may change before **Completion** under condition 4.3. The rate or rates of interest may change after **Completion** in accordance with condition 13.

KFI Illustration or Key Facts Illustration

An illustration provided to you before you submit an **Application** to us detailing the features of the proposed **Loan**, **Fees** and the **Monthly Payments**.

LIBOR

The London Inter-bank Offered Rate (also designated as the British Bankers' Association Interest Settlement Rate) being the rate (as determined below) at which sterling deposits are offered for a three month period (or such other period as set out in the **Offer**) by prime banks in the London inter-bank market quoted at or about 11 am (London time) on each **LIBOR Setting Date**. The rate is:

- (i) the rate quoted on the appropriate page of the Reuters Screen or any such screen or service that may replace it; or
- (ii) if no such service is available **LIBOR** will be another rate of interest which we reasonably decide represents a comparable rate of interest for three month sterling deposits at or about 11 am (London time) on the **LIBOR Setting Date**, in each case rounded up to two decimal places.

LIBOR Setting Date

The last **Business Day** of January, April, July and October each year, or such other dates as set out in the **Offer**.

Loan

The initial **Advance** we make to you, and any **Additional Borrowing**, together with any **Fees** that are specified to be added to the **Loan** from time to time which are secured by the **Mortgage**.

LPA

The Law of Property Act 1925.

Month

A calendar month.

Monthly Payment

The payment you must make to us every **Month**. The amount of the initial payment is set out in the **Offer** and is the payment which you must pay under condition 7.5. We may change the **Monthly Payment** in accordance with condition 11.

Mortgage

Our security over the **Property**, as described in the **Mortgage Deed**.

Mortgage Contract

The agreement between you and us for the **Loan**. This is made up of:

- a. any declaration you have provided as part of the **Application**;
- b. these **Conditions**;
- c. the **Offer**;
- d. the **Mortgage Deed**;
- e. the **Rules**; and
- f. any **Guarantee**.

Mortgage Deed

The legal document you sign to give us the **Mortgage** over the **Property** as security for the **Outstanding Balance** and the **Other Debt** and each such document where there is more than one.

Offer

Any written offer by us to give you a **Loan** or **Additional Borrowing** to be secured by the **Mortgage**, in each case as amended, varied, replaced or supplemented from time to time. The **Offer** includes the **Offer Conditions** and any **Special Conditions**. The **Offer** includes any **Additional Borrowing Offer**.

Offer Conditions

The general conditions section contained in the **Offer**.

Other Debt

Any money other than the **Outstanding Balance** which **you** or any of **you** owe **us** in any capacity either on **your** own or with other people actually or contingently except for money **you** owe **us** under any existing or future agreement regulated by the Consumer Credit Act 1974 which does not provide that agreement is secured by the **Mortgage**.

Outstanding Balance

The total amount that **you** owe **us** from time to time under the **Mortgage Contract** including the **Advance** and any **Additional Borrowing** **you** have not repaid, unpaid interest, **Fees** and **Expenses** and any other amount payable under the **Mortgage Contract** (including but not limited to any **Early Repayment Charge**).

Payment Date

The day on which **you** must make each **Monthly Payment** to **us**. This will be determined as set out in condition 7.6, as amended from time to time under condition 7.7.

Property

The property described in the **Mortgage Deed** (and each and every property where there is more than one).

Repayment Strategy

An investment policy, savings plan or other means by which **you** have chosen to pay off the capital on an **Interest-Only Mortgage** by the end of the **Term**.

Rules

The Rules of the Kent Reliance Provident Society as from time to time in force.

Special Conditions

Any special conditions attached to the **Offer**.

Standard Variable Rate

Our standard variable rate of interest relevant to **your Mortgage Contract** at any time as referred to in the **Offer**.

Tariff

The tariff of fees **we** charge in connection with **your Loan** as sent to **you** from time to time. This can be changed by **us** from time to time under condition 8.3.

Term

The period of time shown in the **Offer** which **we** give **you** to pay off the **Loan**.

Title Insurer

An insurance company **we** instruct to provide insurance cover for **our** benefit in connection with the legal title to the **Property**.

Transfer

Any sale, transfer, assignment, charge or other disposition including by way of security.

Transferee

Any person who at any time becomes entitled to the benefit of our rights under the **Loan**, the **Mortgage** and/or the **Mortgage Contract**.

we, us, our, the Lender

OneSavings Bank plc trading as Kent Reliance (incorporated in England and Wales with company number 07312896) and any **Transferee**.

you, your, yourself

The person or persons named in the **Mortgage Deed**. If there is more than one such person, '**you**', '**your**' and '**yourself**' refer to each person jointly and individually. They will also refer to anyone who takes over **your** legal rights or duties (for example, a personal representative the **Property** passes to if **you** die).

Valuation

A report issued by a valuer which tells **us** how much the **Property** is worth, for mortgage lending purposes only.

1.2 In these Conditions:

- a. words importing the masculine gender shall include the feminine and neutral genders;
- b. words importing the singular shall include the plural and vice versa;
- c. where there are two or more persons included in the expression **you** or **your**, obligations and conditions expressed as being by or affecting **you** shall be held to bind such persons jointly and severally, so that each of **you** is fully liable to perform the obligations and be subject to the conditions;
- d. any reference to any law or regulation includes any change to or re-enactment of it from time to time in force and all statutory instruments order and regulations made under it;
- e. a "person" refers to any legal person, including but not limited to individuals and companies;
- f. the **Offer** forms part of these **Conditions**. If the **Offer** and these **Conditions** conflict the terms of the **Offer** will apply save where stated to the contrary; and
- g. where the **Offer** or these **Conditions** conflict with the **Rules**, the **Offer** and/or **Conditions** (as applicable) will prevail.

- 1.3 Where these **Conditions** are issued with and referred to in any **Additional Borrowing Offer** which is made after **your** first **Loan** in respect of the **Property**, the terms and **Conditions** of any existing **Mortgage Contract** shall automatically be varied and replaced by these **Conditions** when the **Additional Borrowing** is made.

2. Communications

- 2.1 **We** may give **you** details of how to contact **us** by telephone and/or e-mail from time to time. Any such details may include terms by which **you** must abide in respect of contacting **us** (such as website terms of use) and **you** will comply with these.
- 2.2 **We** may record or monitor all communications (for example telephone conversations):
 - a. to make sure **we** carry out **your** instructions accurately;
 - b. to help **us** maintain the quality of **our** service;
 - c. for security and training purposes; and
 - d. as required by law or regulation.
- 2.3 **You** may also write to **us** at the contact address **we** supply **you** with from time to time unless **we** notify **you** otherwise.
- 2.4 If **you** give **us** any notice under the **Agreement**, it will not be valid until **we** have received it.
- 2.5 **We** may contact **you** using the most recent e-mail address, permanent postal address or phone number **you** have given **us**. **You** will have to accept (and, as appropriate, must follow) any notice **we** send **you** at the last relevant address **you** have given **us**.
- 2.6 When **we** are required to give notice to **you**, for example to notify **you** of changes to the **Interest Rate** or the **Monthly Payment**, **we** will do so by:
 - a. post addressed to **you** at the correspondence address **you** provide or at the **Property**. Any notice given in this way will be considered to be received by **you** 48 hours after posting; or
 - b. any other reasonable method available by law and agreed by **you**, including by e-mail if **you** have agreed to e-mail as the primary communication method in relation to the **Mortgage**. E-mail will be considered to be received by **you** on the day the e-mail is sent.
- 2.7 **You** must tell **us** if **your** contact details change by using any contact method **we** notify **you** of from time to time.
- 2.8 **We** will communicate with **you** in English and all documents **we** send **you** and use will be in English. **You** will communicate with **us** in English in all correspondence.

3. Joint Mortgages

- 3.1 If there are two or more of **you** the following terms will apply:
- a. **You** are each individually responsible for following the terms of the **Mortgage Contract**, including, for example, making sure that all the **Monthly Payments** are made. You are each individually responsible for ensuring that the entire **Outstanding Balance** is repaid. If **you** break the terms of the **Mortgage Contract**, we can take action against all or any of **you**. Any arrangements we make with one or some of **you** will not affect our rights against the other(s) or any responsibilities of the other(s) under the **Mortgage Contract**.
 - b. We may give any information about the **Account**, the **Loan** or the **Mortgage Contract** to any or all of **you**.
 - c. If any of **you** dies, unless **you** have made alternative arrangements by way of a tenancy in common, we can treat the survivor(s) as fully liable to meet the responsibilities **you** have under the **Mortgage Contract**. In such event we will amend the **Account** to an **Account** under the **Mortgage Contract** in the name of any survivor(s).
 - d. If any of **you** share the same address, a notice we send to one of **you** will count as a notice to all of **you**. We will send correspondence relating to the **Loan** and the **Mortgage Contract**, and any statements relating to the **Account**, to the first address listed for the **Account**.
 - e. If **your Loan** can be transferred to a new **Property** (often referred to as "porting") as set out in the **Mortgage Contract**, and only one of **you** exercises the option to so transfer the **Loan**, we may require written consent to any such transfer from all of **you**.

4. The Offer

- 4.1 Any **Offer** will cease to have effect if we send **you** a new **Offer** before making the **Advance**.
- 4.2 Although we are not obliged to proceed with the **Advance**, we will only withdraw an **Offer** or vary it prior to **Completion**, in the following circumstances (we can do this immediately and without telling **you**, but we will notify **you** if we reasonably can) if:
- a. we have not released the **Advance** on or before the expiry date stated in the **Offer**;
 - b. our legal advisers tell us they cannot carry out any of our instructions or cannot confirm that the title of the **Property** is satisfactory;
 - c. an appointed **Title Insurer** tells us that they cannot carry out any of our instructions or cannot give a certificate of insurance;
 - d. there is a material change in **your** circumstances since **you** made the **Application**;
 - e. any of the information given by or for **you** or connected with the **Application** is inaccurate, false or incomplete;
 - f. any further investigation recommended in any **Valuation** reveals anything which adversely affects the value of the **Property** or its suitability as security for the **Loan**;
 - g. **you** do not or cannot keep to any of the terms of the **Offer**;
 - h. we reasonably believe that we would be in breach of any legal or regulatory requirement applying to us were we to do so;
 - i. we have reasonable doubts about the value of the **Property** or whether the **Mortgage** or any other security held for the **Loan** can be enforced;
 - j. we have reasonable doubts about whether **you** will be able to repay any of the **Outstanding Balance**;
 - k. acting as a reasonable and prudent lender 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 consider it undesirable to make the **Advance**; or
 - l. any insurer is not prepared to take out satisfactory insurance for the **Property**.

- 4.3 We may change the **Monthly Payment** and **Interest Rate** set out in the **Offer** before **Completion** in circumstances where we would be able to make these changes after **Completion**. If we make such changes, we will notify **you** of this in accordance with condition 2.
- 4.4 **You** must notify us immediately if **your** circumstances change before we release the **Advance** or there is any material change in the information **you** have supplied to us in the **Application**.
- 4.5 We will not release the **Advance** until we are ready to do so and any legal adviser we have instructed to act for us has confirmed that all the relevant requirements of the **Offer** have been met and the title to the **Property** is satisfactory. We will release the **Advance** to any legal adviser we have acting for us but only if **your** legal adviser has requested the **Advance** is released. Interest will be payable on the **Advance** from **Completion** even if it is released to our legal adviser at **your** legal adviser's request before **you** need to use it.
- 4.6 **You** must make the **Monthly Payments** in sterling by **Direct Debit** from a UK-based sterling bank or building society current account. **You** must complete a **Direct Debit** mandate as part of the **Application**. **Completion** will be delayed if we do not have **your** bank details and/or **Direct Debit** mandate.

5. The Mortgage Deed

- 5.1 Before **Completion** can take place **you** must sign a **Mortgage Deed** giving us a first legal charge over the **Property**. This will be security for the **Outstanding Balance** and **Other Debt**.
- 5.2 Any existing mortgage on the **Property** must be paid off before the **Mortgage Deed** is completed unless we otherwise agree in writing.

6. Valuations

- 6.1 Any **Valuation** obtained by us in connection with the **Loan** and/or the **Property** is for our benefit only and may not be relied upon by **you** even if disclosed to **you**. Any such **Valuation** does not constitute a confirmation or guarantee by us or on our behalf that the **Property** is worth the value given to it.

7. Paying back the Loan

- 7.1 Unless **you** have chosen an **Interest-Only Mortgage**, **you** must repay the capital with interest over the **Term** by making the **Monthly Payments**. **You** must repay the **Outstanding Balance** no later than the last day of the **Term**.
- 7.2 If **you** have chosen an **Interest-Only Mortgage**, **you** must repay the interest over the term by making the **Monthly Payments** which shall comprise only the payment of interest on the capital and shall not include any repayment of the capital. **You** must repay the **Outstanding Balance** no later than the last day of the **Term** and **you** must make suitable arrangements in this regard in accordance with condition 10.
- 7.3 If part of **your Loan** is an **Interest-Only Mortgage**, condition 7.2 will apply to that part and condition 7.1 to the remainder.
- 7.4 **You** must make the **Monthly Payments** by **Direct Debit** from the UK-based sterling bank or building society current account **you** have told us that **you** would like the payments taken from on each **Payment Date**. If any **Direct Debit** payment is refused or recalled by **your** bank or building society, then we shall charge **you** an administration fee for each unsuccessful application for payment as set out in the **Tariff**.
- 7.5 The first **Monthly Payment** is due on **your** first **Payment Date**. After that, **Monthly Payments** are due on the **Payment Date** in every **Month** until **you** pay off the **Outstanding Balance**. If the **Payment Date** is on a weekend or a bank holiday, the payment is due on the first **Business Day** following that date. If **you** fail to make the **Monthly Payments** on time, **you** will have to pay us **Fees** as contained in the **Tariff** (this will not affect our other rights under the **Mortgage Contract**).

7.6 You will select the date in each **Month** (between 10th and 28th day inclusive in each month) that will be the **Payment Date** on your **Application**. In the absence of such selection, the first **Payment Date** will fall on the 25th of the **Month** following the **Month** in which **Completion** occurs. Notwithstanding this, any accrued interest payable under condition 7.8 shall be payable on the last day of the month in which **Completion** occurs.

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

- a. to incorporate changes in our business (including on any **Transfer**) introduced in good faith;
- b. to reflect changes in the practice of other mortgage lenders; and/or
- c. to reflect technological changes.

Unless we have otherwise agreed with you, we will give you not less than two months' notice in advance of any change we make to the **Payment Date**.

7.8 In addition to your **Monthly Payment**, an additional initial payment must be paid by you. This will cover interest we charge from the date of **Completion** to the end of the **Month** in which the **Loan** completed, sometimes referred to as "accrued interest".

8. Fees

8.1 You must pay any reasonable **Fees** we charge arising in connection with the **Mortgage Contract** when we ask you to pay them.

8.2 If the **Property** has been sold and the **Outstanding Balance** has not been paid off in full, the shortfall will become immediately repayable. You must pay the shortfall even if we have agreed to discharge the **Mortgage**. Any shortfall will bear interest at the higher of (a) your then current **Interest Rate** and (b) the **Standard Variable Rate** and we may continue to charge you **Fees** and **Expenses** even after any court order requiring you to pay the whole or any part of the **Outstanding Balance**. Your obligations under this condition will continue even after release or discharge of the **Mortgage**.

8.3 We will send you a copy of our **Tariff** with the **Offer** and thereafter each year and at any other time if you ask for a copy. Copies may also be obtained from our website. We may change the amount of **Fees** we charge, or add new **Fees** to or remove **Fees** from the **Tariff**, in order to reflect in a proportionate manner changes in our operating costs, extra costs imposed by legal or regulatory requirements or the costs of doing the work for which the **Fee** is charged.

8.4 Any **Fees** incurred by you shall be payable immediately and added to the **Outstanding Balance**. **Fees** will bear interest at the **Interest Rate**, such interest to accrue from the date on which the **Fees** become payable.

9. Paying back the Outstanding Balance

9.1 You must repay the **Outstanding Balance** no later than the last day of the **Term**. If any other provision of the **Mortgage Contract** requires you to pay any part of the **Outstanding Balance** earlier, you must comply with that provision.

9.2 Any statement by us of the **Outstanding Balance**, the **Monthly Payment** and the **Other Debt** shall (without limiting your obligations under condition 31) be conclusive save in the case of manifest error.

10. Interest-Only Mortgages

10.1 If the **Loan** or any part of it is an **Interest-Only Mortgage**, you must make suitable arrangements to pay off the capital at the end of the **Term**. If you arrange a **Repayment Strategy** you must keep it in place to repay the outstanding capital. If your **Repayment Strategy** or other arrangements do not produce enough money to pay off the capital and any other **Outstanding Balance** at the end of the **Term**, you will have to pay off the shortfall yourself from another source. Any shortfall will bear interest at the higher of:

- a. your then current **Interest Rate**; and
- b. the **Standard Variable Rate**,

and we may continue to charge you interest, **Fees** and **Expenses** even after any court order requiring you to pay the whole or any part of the capital and/or the **Outstanding Balance**. Your obligations under this condition will continue even after release or discharge of the **Mortgage**.

10.2 If the **Loan** or any part of it is an **Interest-Only Mortgage**, you shall supply us from time to time at our reasonable request with such information about your **Repayment Strategy** or any other method you intend using to repay the outstanding capital at the end of the **Term**.

10.3 We may change your **Loan** (or any part of it) from an **Interest-Only Mortgage** to a **Capital Repayment Mortgage** if:

- a. any of the events in condition 17 occurs, provided that we will only exercise our rights under this condition 10.3(a) acting as a responsible and prudent lender;
- b. you fail to comply with condition 10.2 and we have given you at least one **Month** to remedy the failure, provided that we will only exercise our rights under this condition 10.3(b) acting as a responsible and prudent lender;
- c. we reasonably consider that the **Repayment Strategy** or other method you intend to use to repay the capital at the end of the **Term** is unlikely to be sufficient to do so, provided that we will only exercise our rights under this condition 10.3(c) acting as a responsible and prudent lender and having regard to your ability to make **Monthly Payments** which include capital and interest.

11. Changes in the Monthly Payments

11.1 The amount of your initial **Monthly Payment** is set out in the **Offer**. We may change the **Monthly Payment** you make by giving at least 14 days' notice to you in advance:

- a. if there is a change in the **Interest Rate**. Any notice we give you will state when the change in the **Interest Rate** will, or did, come into force;
- b. to cover any **Expenses** and interest on such **Expenses**;
- c. to reflect any changes agreed between you and us in the number or amount of **Monthly Payments**;
- d. if there is a change in the **Outstanding Balance** including (by way of example only) if you take any **Additional Borrowing** or you pay part of the **Loan** early or any **Fees** or **Early Repayment Charges** are added to the **Outstanding Balance** in accordance with these **Conditions**;
- e. if we have applied, changed or cancelled any concession or other arrangement allowing you to delay paying the **Loan** or any other amounts you owe us in whole or in part;
- f. if the **Mortgage** is changed to a **Capital Repayment Mortgage** under condition 10.3, or to an **Interest-Only Mortgage** under the relevant **Conditions**, or in either case by agreement between you and us; and/or
- g. if we need reasonably to provide for any other matter to make sure that all or part of the **Outstanding Balance** is repaid by the end of the **Term**.

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

11.3 We may initially collect your **Monthly Payment** in advance on each **Payment Date** (other than the first **Monthly Payment** and/or any accrued interest which we may collect partly in arrears). We may from time to time collect the **Monthly Payment** in advance or in arrears or partly in advance and partly in arrears. If we change the way we collect the **Monthly Payment** we will give you at least one month's notice of this in advance and we will only make the change:

- a. to incorporate changes in our business (including on any **Transfer**) made in good faith;
- b. to reflect changes in the practice of other mortgage lenders; and/or
- c. to reflect technological changes.

12. Interest

- 12.1 Interest will accrue from day to day but be charged monthly based on the **Outstanding Balance** at the last **Business Day** in the preceding **Month** at the prevailing rate, save for accrued interest as described in condition 7.8.
- 12.2 Interest will start accruing from and including the date of **Completion** up to and including the date the **Outstanding Balance** is repaid in full. If in any **Month** we lend any further money to you (for example, if we make another **Advance** to you or if we release the **Loan** to you in instalments), interest will accrue on that further money from and including the day it is lent or released to you or your legal representative.
- 12.3 If you fail to pay any other money which is owed to us when you are obliged to, interest will accrue on that money from and including the date on which you should have paid it until it is paid.
- 12.4 Interest which accrues in any **Month** or part of a **Month** and is not paid before the end of that **Month** will be added to the **Account** (and will be treated as part of the **Outstanding Balance** and will then be payable by you in accordance with these **Conditions**) save that interest accruing in the **Month** or part of the **Month** in which the **Outstanding Balance** is repaid in full may be added to the **Account** (and will be treated as part of the **Outstanding Balance**) at any time during that **Month** or part of the **Month** which the **Outstanding Balance** is repaid in full. This means that you will be charged interest on the interest.
- 12.5 You must pay us interest which accrues in any **Month** or part of a **Month** before the end of that **Month**, or if earlier, before the **Outstanding Balance** is repaid in full. If you do not, we will charge you interest on the interest you have not paid. This may occur if the **Monthly Payment** is not sufficient to pay all the interest accrued in the relevant **Month**.
- 12.6 We will continue to charge you interest at the **Interest Rate** (or such other rate the court sets) even after any court order requiring you to pay the whole or any part of the **Outstanding Balance**.
- 12.7 The **Interest Rate** is an annual rate. To calculate the amount of interest accruing on a daily basis, we divide the annual amount of interest by 365, except in a leap year where the annual amount of interest will be divided by 366.
- 12.8 We may change the method of calculating interest (including whether it is charged in advance or in arrears) to reflect changes in our procedure or systems introduced in good faith. If a **Transfer** occurs the **Transferee** may change such method to reflect their procedures and systems. Any change in such method must not materially increase your obligations. We will give you not less than one month's notice in advance of any change in the method of calculating interest.

13. Changes to the Interest Rate

- 13.1 The **Interest Rate** will change where provided for and in accordance with the **Offer** or otherwise in this condition 13.
- 13.2 If the **Interest Rate** is calculated by reference to a **Standard Variable Rate**, we may reduce the **Standard Variable Rate** at any time. We may increase the **Standard Variable Rate** for any of the following reasons:
 - a. To reflect a change which has occurred, or which we think is about to occur, in the cost of funds we use in our lending business or to fund your **Loan** and which may include (for example) our costs of borrowing money or the rates we need to pay to attract savers.
 - b. To reflect a change which has occurred, or which we reasonably expect to occur, in our reasonable assessment of the risk, or of the cost or pricing of that risk, relating to our mortgage business generally.
 - c. To reflect a change which has happened, or which we reasonably believe is about to happen, in the **Bank of England Base Rate** or **LIBOR** or interest rates generally.
 - d. To reflect a change in the law, regulatory requirements or guidance (including a recommendation by an ombudsman or any similar body), or any relevant code of practice or general industry practices.

- e. To enable us to harmonise in a reasonable manner the interest rates being paid by our borrowers (or categories of these) following any acquisition or **Transfer** of mortgages or any takeover of, or merger with, another mortgage provider.
- f. To enable us to manage our business (and its growth) prudently in the interests of our customers as a whole and in a manner which would satisfy the requirements of our regulators.

Any increase will be proportionate to the reason(s) for the changes. We will give you at least 14 days' notice in advance of any change to a **Standard Variable Rate**, and the change will take effect on the date specified in that notice.

- 13.3 If the **Interest Rate** is linked to the **Bank of England Base Rate** or **LIBOR** it will change automatically to reflect any change in the **Bank of England Base Rate** or **LIBOR** and will take effect on the day of such change (if the **Interest Rate** is linked to the **Bank of England Base Rate**) or on the first **Business Day** after the **LIBOR Setting Date** (if the **Interest Rate** is linked to **LIBOR**) or on such other date as set out in the **Offer**.
We will give you notice of any change in the **Bank of England Base Rate** or **LIBOR** within a reasonable time after that change.
- 13.4 We may also change the **Interest Rate** at any time to reflect a change (in our reasonable view) in the value of our security because of the way in which the **Property** is used or occupied under condition 22. We will notify you within a reasonable time of any such assessment.
- 13.5 If you have a **Buy-to-Let Mortgage** or a **Commercial Mortgage**, then we may also change the **Interest Rate** if there has been (or if we reasonably anticipate there will be) a material adverse change in your circumstances or ability to meet your obligations, or in the economic or regulatory conditions, that in any case will (or is reasonably likely to) increase our risk or reduce our return on the **Mortgage**.
- 13.6 We will give you at least 14 days' written notice of a change to the **Monthly Payment** following a change in the **Interest Rate**. The **Monthly Payment** will change on the next **Payment Date** following expiry of the 14 days' notice.
- 13.7 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 previous **Month**. If this occurs, any unpaid interest will be added to the **Outstanding Balance** and you will pay interest on it. You can contact us to pay any unpaid interest instead if you wish to prevent this happening.
- 13.8 If the **Interest Rate** decreases, the next **Monthly Payment** you make may be more than the amount required to pay the interest that accrued in the previous month. If this occurs, we may use any additional amount you pay in accordance with condition 20.

14. Early Repayment

- 14.1 If the **Loan** or part of the **Loan** is repaid before the end of the **Term** (including where you make permitted overpayments of more than the **Monthly Payment**), an **Early Repayment Charge** may arise in accordance with the **Offer**, in which case we shall require you to pay us such **Early Repayment Charge**. If we demand you immediately repay the **Outstanding Balance** under conditions 17 or 22.4 we will also require you to pay any **Early Repayment Charge**. We may at our discretion not require you to pay any **Early Repayment Charge** if we have demanded immediate repayment of the **Outstanding Balance** as a result of your death.
- 14.2 If you ask us, we will tell you how much you will need to pay on the date for early repayment.
- 14.3 You must also pay us any **Fees** payable under the **Tariff** or **Offer** in connection with any early repayment or overpayment (for example any administration fee on redemption).

15. Our Expenses

15.1 To the extent **we** reasonably incur them, **you** must pay **us** the following **Expenses** (which may include legal, surveying or other professional fees **we** pay):

- a. all **our** reasonable costs, charges and fees as they arise (whether **we** demand them or not) in connection with administering the **Mortgage Contract** (including but not limited to costs arising from finding **you** and communicating with **you**, supplying or copying deeds or documents to **you** and anyone acting on **your** behalf, any third party fees and charges such as Land Registry fees, collecting amounts **you** owe and enforcing the **Mortgage Deed**) for the life of the **Mortgage Contract**;
- b. **our** costs in any legal action relating to the **Mortgage Contract**;
- c. **our** costs in protecting or perfecting **our** security;
- d. **our** costs in buying out someone else's interest in the **Property**;
- e. **our** costs in complying with any requests **you** make in connection with the **Mortgage Contract**;
- f. **our** costs **we** reasonably incur in enforcing any of **our** legal rights under the **Mortgage Contract**; and
- g. **our** reasonable costs in putting right any failure by **you** to keep to the **Mortgage Contract** (including but not limited to any insurance premium and associated costs arising under condition 23.13);

and which in each case are not covered by **our Fees**.

15.2 Any **Expenses** incurred by **you** shall be payable immediately and added to the **Outstanding Balance**. **Expenses** will bear interest at the **Interest Rate**, such interest to accrue from the date on which such **Expenses** become payable.

15.3 **Our** right to recover **Fees** and **Expenses** entitles **us** to recover any money which **we** or a receiver have to pay to third parties and any costs which **we** incur internally by the charging of administration fees.

16. DWP Overpayments

If the Department for Work and Pensions or any other government or regulatory body at any time is making any payment to **us** towards payment of **your** obligations under the **Mortgage Contract** and they make any overpayment **we** will use this toward reducing the **Outstanding Balance** (and **Early Repayment Charges** may apply) but if **we** have to refund any such amount, **we** will tell **you** of the refund and **you** must immediately reimburse **us** and make good any deficit which arises.

17. Events of Default

17.1 **We** may demand that **you** immediately repay the **Outstanding Balance**, at any time, if any of the following events happen:

- a. **You** are in arrears meaning that **you** have failed to make any two **Monthly Payments** in full on the **Payment Dates** and at the time of **our** demand those **Monthly Payments** have still not been paid in full.
- b. **You** do not pay any other amount (not being a **Monthly Payment**) **you** owe **us** under the **Mortgage Contract** when due (including without limit any **Outstanding Balance** at the end of the **Term**).
- c. **You** are in material breach of any of the terms of the **Mortgage Contract** not relating to payment of money.
- d. **You** create rights or grant an interest in the **Property** that affect **our** ability to enforce the **Mortgage** satisfactorily.
- e. Any part of the **Property** is bought under a compulsory purchase order or requisitioned.
- f. The **Property** or any part of it is damaged and in **our** reasonable opinion the value of **our** security is materially lowered.
- g. **You** become bankrupt or **you** make any formal arrangement with the people **you** owe money to (or any equivalent event occurs in another jurisdiction).

h. **You** (being a company) are subject to a petition for **your** winding up or for the appointment of an administrator, or **you** enter into liquidation or administration or into any arrangement with **your** creditors (or any equivalent event occurs in another jurisdiction).

i. **You** (or someone on **your** behalf) give **us** wrong information or failed to give information when **you** applied for the **Loan**, and that information has had or would have had a significant negative effect on **our** decision to lend or continue to lend to **you**.

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

k. If **you** die or if there is more than one of **you**, the last one of **you** dies (in this condition 17(k), '**you**' does not include **your** personal representative).

l. The **Mortgage Deed** is no longer valid or legally binding for any reason.

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

n. If **you** do not have a **Buy-to-Let Mortgage** and **you** let the **Property** without **our** permission.

o. An event occurs under any other agreement **you** have with **us** enabling **us** to demand repayment in full of monies borrowed under that agreement before their normal due date.

p. Any of the events in condition 17(g), (h), (i) or (k) occur in relation to any **Guarantor**.

q. A regulator or order of a court requires **us** to enforce such immediate repayment.

r. **You** are convicted of fraud or an indictable-only offence or **we** reasonably believe **you** have been involved in fraudulent or serious criminal behaviour.

s. **We** reasonably believe the relationship between **you** and **us** has irretrievably broken down as a result of **your** physical, threatening or abusive behaviour to **our** staff.

t. **We** reasonably believe **our** security to be at risk.

u. If **you** have a **Buy-to-Let Mortgage**, any loan to value ratio set out in the **Offer** is breached and any provisions for supplying **us** alternative security or remedying the breach which are set out in the **Offer** are not complied with.

v. (If **you** have a **Buy-to-Let Mortgage** or a **Commercial Mortgage** only) If there has been, or if **we** reasonably anticipate there will be, a material adverse change in **your** circumstances or ability or in economic or regulatory conditions, which **we** consider will adversely affect **your** ability to meet your obligations to **us** under the **Mortgage Contract**.

w. If for any reason a **Guarantee** is invalidated or becomes unenforceable.

18. Amounts you still owe at the end of the Term

18.1 If **you** still owe **us** any amounts after the end of the **Term**, **you** must immediately repay the **Outstanding Balance**. Interest will continue to be charged on this at the **Interest Rate** (which for the avoidance of doubt will be the higher of (i) **your** then **Interest Rate** and (b) the **Standard Variable Rate**) and **you** shall still have to pay all and any **Expenses** **we** incur. **We** may continue to collect **Monthly Payments** from **you** by **Direct Debit** (or other methods) without affecting the fact that the **Outstanding Balance** will have become due and payable at the expiry of the **Term**.

18.2 **We** will not release the **Mortgage** until **you** repay the **Outstanding Balance** (and any **Other Debt**).

19. Additional Borrowing

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

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

20. Application of Payments

20.1 We may apply any payment made by you against any part of the **Outstanding Balance** in a manner which we from time to time decide.

20.2 We may from time to time change the manner in which we apply payments made by you against the **Outstanding Balance** in doing so.

20.3 In exercising our rights under conditions 20.1 and/or 20.2 we will act reasonably and in compliance with any applicable legal and regulatory requirements.

20.4 For the avoidance of doubt, in exercising our rights under this condition 20 but without preventing us from applying payments differently, we may apply any payment made by you against **Expenses** before **Fees**, against **Fees** and **Expenses** before **Early Repayment Charges**, against **Expenses** before interest, and against interest before capital.

21. The Mortgage

21.1 The **Mortgage** is our security for every part of the **Outstanding Balance** and the **Other Debt**.

21.2 The **Mortgage Deed** is our continuing security for the **Outstanding Balance** and the **Other Debt**. This means that the **Mortgage Deed** will stay in force until the **Outstanding Balance** and the **Other Debt** is repaid in full.

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

21.4 If you have more than one **Mortgage** with us, our right to combine mortgages is not restricted by section 93 of the **LPA**.

22. The Property

22.1 You must do the following:

- a. Live in and use the **Property** as your main residence unless your **Loan** is a **Buy-to-Let Mortgage** (in which case you must not reside in the **Property**).
- b. Use, or (for a **Buy-to-Let Mortgage**) ensure the use of, the **Property** as a single private dwelling and not (without our prior written consent) change the use of the **Property** or allow the **Property** to be used for a trade or business.
- c. Look after the **Property** so that it keeps its value as our security. This means putting it, and keeping it, clean and in good repair and condition and keeping to all obligations, responsibilities and restrictions that apply to it. You agree to complete any unfinished work on the **Property** as soon as possible and to a high standard.
- d. Give us a copy of any notice or demand you receive in connection with the **Property** within a reasonable time. You will take all reasonable and necessary steps to comply with the requirements of any such notice. If you receive any compensation arising from any notice you receive, you must pay this compensation to us and we will use it to reduce the **Outstanding Balance**. You will hold on trust for us any such compensation money you receive.
- e. Not neglect or damage the **Property** or do anything else to reduce its value.
- f. Not do anything on the **Property** which might harm any insurance or which may increase the premium due for that insurance.
- g. Not make any structural or significant alterations to the **Property** unless you have our permission beforehand. We will act reasonably in considering any such alterations.
- h. Give us a new **Mortgage** (if we ask) over any new or increased interest you get in the **Property**.

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

j. Not (without our prior written consent), create or allow to exist any security over the **Property** other than the **Mortgage**.

k. Not grant or agree to grant a lease or tenancy of all or any part of the **Property**, unless you have a **Buy-to-Let Mortgage** (and any rights you have under the **LPA** to grant leases does not apply).

l. Not transfer or dispose of your interest in the **Property** without our prior written consent. You agree that you and we shall apply to the Land Registry for the entry of a restriction of any dealing in the **Property** restricted by this condition.

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

n. Allow us or our agents (on reasonable notice) to inspect the **Property** so we may be sure you are complying with the **Agreement**. We will only inspect the **Property** at a reasonable time.

o. Comply with all laws, agreements, leases and covenants which affect the **Property** or its use.

p. Let us know if the **Property** is unoccupied for 28 or more days running.

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

22.3 If you have a **Buy-to-Let** mortgage and let or lease all or any part of the **Property**:

- a. you must do all that is legally necessary to ensure that your tenants carry out their obligations under the tenancy agreement;
- b. any letting must be an assured shorthold tenancy for a term not exceeding 12 months (and month to month thereafter); and
- c. you must not extend or end the lease or tenancy, or agree to any of the terms being changed, unless you have our prior written consent.

22.4 If at any time you have let the **Property** in breach of condition 22.1(a), (k) or in any other manner, or (unless your loan is a **Buy-to-Let Mortgage**) the **Property** is no longer your main residence (whether the **Property** is let or not), we may without affecting our other rights under this **Mortgage Contract**:

- a. demand that you immediately repay the **Outstanding Balance** in accordance with condition 27.1; and/or
- b. increase the **Interest Rate** by an amount determined by us, acting reasonably and with regard to market practice and our relevant interest rates for different types of mortgage at the time to reflect that the lending has changed because of, for example (but not limited to), the extra lending risk we incur; and/or
- c. exercise any rights we have to evict the tenant (and for the avoidance of doubt, you shall be solely responsible for any liabilities arising to you or us as a result of such eviction).

23. Insurance

23.1 Subject to condition 24.1 you must insure the **Property** and its fixtures in accordance with the **Offer** against loss and damage for the full reinstatement value of the **Property** (which is the full cost of rebuilding the **Property**, including all professional fees and the cost of meeting planning and local authority requirements).

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

23.3 You must keep the insurance in force until you have repaid the **Outstanding Balance** and any **Other Debt** in full.

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

23.5 The insurance policy must be in force:

- a. if you are buying the **Property**, when contracts are exchanged; or
- b. if you are remortgaging the **Property**, before the **Mortgage** completes.

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

23.7 You must show us the policy and receipts for your premium payments if we ask to see them.

23.8 We may take action against you for any loss we may suffer arising from you failing to insure the **Property** in accordance with the **Mortgage Contract**.

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

23.10 You must not do anything which could make it more difficult or expensive to keep the **Property** insured or which could make the insurance invalid.

23.11 We are entitled to settle and adjust all claims with insurers regardless of whether the insurance is arranged by us or is an independent insurance policy, but we will act reasonably in doing so.

23.12 You must hold any money that you receive under any insurance of the **Property** on trust for us. We agree that all monies which either you or we receive under any insurance of the **Property** are to be used at your option either:

- a. to make good any damage or loss for which the money was received; or
- b. to repay all or part of the **Outstanding Balance**.

If you do not notify us of your preferred option within 30 days of request from us we may choose on your behalf. We will act reasonably in doing so.

23.13 We reserve the right to take over the arrangement of the insurance of the **Property** at any time if (i) we reasonably consider that the amount or type of cover set up by your insurer (or, where the **Property** is leasehold, set up by an insurer under condition 24.1) is inadequate or (ii) if the policy is cancelled or lapses. In such event you will be liable for all and any fees, costs or charges of any kind reasonably incurred as a result, including but not limited to the cost of arranging such insurance, and we shall require you to pay us such amounts.

24. Leasehold Properties

24.1 If the **Property** is leasehold and its lease makes someone else legally responsible for arranging buildings insurance for the **Property**, you do not have to arrange your own separate cover. However, it must be a term of the lease that the landlord or a management company insures the whole building of which the **Property** is part. You must make sure that:

- a. the cover includes all the risks that we reasonably require;
- b. the cover is for the full reinstatement value of the **Property**;
- c. the cover is for the whole building of which the **Property** is part;
- d. any money claimed under the policy is used to restore the buildings and fixtures; and
- e. the insurance is adequate and that the policy mentions your and our rights.

24.2 You must comply in full with the terms of any lease the **Property** is subject to.

24.3 You must get our approval before you:

- a. give up the lease;
- b. agree to amend the terms of the lease or waive or release any of your rights under it;
- c. buy the freehold or any superior title to the **Property** or any land or building that includes the **Property**; or
- d. extend the lease.

We will give our approval unless it is reasonable for us to refuse it.

24.4 You must supply us promptly with all communications received by you under the lease.

25. Guarantee

25.1 If we have required a **Guarantor**, the **Guarantor** is required (pursuant to a **Guarantee**) to guarantee to us that you will repay the following with interest in accordance with these **Conditions**:

- a. the initial **Advance**;
- b. any **Additional Borrowing** which we make to you following written notice being given to the **Guarantor**;
- c. interest and any **Fees** and **Expenses** which we charge to a part of the **Account** which relates to any Loan which the **Guarantor** has guaranteed under the **Guarantee**.

25.2 The **Guarantor** is also required to guarantee that you will comply with each obligation imposed on you by the **Mortgage Contract**.

25.3 If we allow a **Borrower** or any other person extra time within which to make any payments or do any other thing which they are required to do under these conditions or if we make any other concessions to a **Borrower** or any other person or if any other event or circumstances arise which, but for this provision, would otherwise release the **Guarantor** from all or any of his obligations to us, this will not release the **Guarantor** from his obligations to us.

26. Management companies

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

27. Enforcing our Rights

27.1 If any of the events in condition 17 or 22.4 occur, we may demand that you immediately pay us the **Outstanding Balance** and you must make immediate payment of the **Outstanding Balance** to us.

27.2 Under section 101 of the **LPA**, the **Loan** will become due and our legal power of sale will arise as soon as you sign the **Mortgage Deed**. We will only use this power if any of the events in condition 17 or 22.4 occur.

27.3 If any of the events in condition 17 or 22.4 occur, which gives us the right to demand that you immediately pay the **Outstanding Balance**, we may:

- a. Take possession of the **Property** or if the **Property** is let, collect any rent payable.
- b. Exercise our right to sell the **Property**. Our power to sell the **Property** is free from any of the restrictions in section 103 of the **LPA**. We may sell the **Property** whether or not we have repossessed it.
- c. Appoint a receiver under condition 28 below.
- d. Vary the terms of, end, review or accept the surrender of leases or tenancies over the **Property**.
- e. Grant leases or tenancies of the **Property** on whatever terms we choose free of the restrictions of section 99 of the **LPA**.
- f. Exercise all other powers conferred on us as a mortgagee under the **LPA** or on a receiver under these conditions.

27.4 If any of the **Other Debt** is immediately payable by **you**, even if **you** have paid off all the **Outstanding Balance**, **we** may do any of the things and exercise any of the rights referred to in condition 27.3.

27.5 If the **Property** has been mortgaged in a way that gives someone else a first claim on it, or someone has an interest in it ahead of our **Mortgage Deed**, **we** have the right to buy out the other person's rights. **We** may do so at any time:

- a. after giving **you** notice to demand that **you** pay the **Outstanding Balance**; or
- b. as soon as any powers under the claim or interests have come into force.

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

27.6 **We** or our agent may at any time enter and inspect the **Property** and do any work which **we** think is necessary to put right any failure by **you** to keep to the **Mortgage Contract**. If **we** take any action under this condition, it does not mean that **we** have accepted the legal responsibilities as if **we** had repossessed the **Property**. **We** will give **you** at least seven days' notice of our intention to enter the **Property** unless **we** reasonably determine it is inappropriate or impracticable for **us** to do so.

27.7 If **we** or a receiver take possession of the **Property**, **you** must, on notice, remove all of **your** furniture and other belongings. If **you** have not done so within 7 days of the notice, **we** may as **your** agent remove, destroy, dispose, store or sell any items left behind. Neither **we** nor the receiver will be responsible for any loss or damage to **your** possessions. **You** must reimburse **us** for all **Fees** and **Expenses** of dealing with **your** furniture and goods. If **we** sell any of them, **we** will pay **you** what is left after deducting those **Fees** and **Expenses**.

28. Appointing a Receiver

28.1 At any time after **we** have demanded payment of any of the **Outstanding Balance** by **you** under condition 27, **we** may appoint a receiver. **We** have the right to appoint any person (or people) as a receiver to manage the **Property**. **We** must make the appointment in writing. The receiver may be our employee or anyone else **we** choose. **We** have the right to decide what the receiver will be paid, to change the receiver at any time and to appoint another one if **we** believe it is reasonable to do so.

28.2 The receiver will act as **your** agent and only **you** are responsible for their costs and actions. **You** are also liable for any contracts they make or enter into. The receiver may do any of the following in **your** name as **your** agent:

- a. Have any or all of the powers of a receiver appointed under the **LPA**.
- b. Enter and repossess the **Property**.
- c. Sell the **Property**.
- d. Carry out any repairs, alterations and improvements to the **Property**.
- e. Let the **Property** on any reasonable terms including the varying of the terms of any letting.
- f. Allow any person who holds the lease to the **Property** to give up the lease on any reasonable terms.
- g. Manage the **Property**, and do anything else arising as a result of managing the **Property** which a receiver may or can do legally as **your** agent.
- h. Insure the **Property** for any amounts and against any risks and through any agency as **we** see fit.
- i. Sell any of the fixtures on their own or together with the **Property**.
- j. Remove, destroy, dispose of, store or sell any furniture or goods **you** fail to remove from the **Property**.
- k. Pay any interest and **Expenses**.
- l. Take any action in **your** name or otherwise as may seem appropriate.

m. Exercise all powers and authorities which **we** can exercise under the **Mortgage**. **You** agree that **we** may confer any powers and authorities which **we** could give if **we** were the actual beneficial owner of the **Property**.

n. If the **Property** is leasehold, agree to change or vary the terms of the lease or surrender it and/or arrange a new lease. If the receiver agrees to a new lease our security for the **Mortgage** will automatically transfer to the new lease and the receiver may arrange whatever formal legal charge on it **we** may require.

o. Buy out anyone else's interest in the **Property**.

p. Do anything else the law allows in connection with the **Property**.

28.3 The money the receiver receives will be used as follows:

- a. to pay the receiver's expenses;
- b. to pay the receiver's fees at the rate **we** agree with the receiver from time to time; and
- c. to pay off the rest of any amounts **you** owe **us** (including the **Outstanding Balance** and the **Other Debt**).

The receiver does not have to use the money he receives to pay off interest before repaying the **Loan** or otherwise to pay off the **Outstanding Balance** and the **Other Debt** in any particular order.

29. Power of Attorney and further assurance

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

29.2 **You** agree to sign any document and do anything else which **we** reasonably request **you** to do in order to:

- a. perfect or improve any security created or intended to be created for the repayment of the **Outstanding Balance** and the **Other Debt**;
- b. help the exercise by **us** of any of our powers under these **Conditions**; and/or
- c. protect, manage or sell the **Property** or any other security for the repayment of the **Outstanding Balance** and the **Other Debt**.

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

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

29.5 The power of attorney that **you** give **us** in this condition is irrevocable while any of the **Outstanding Balance** and the **Other Debt** is still outstanding, and if those items are still outstanding, will continue even after release or discharge of the **Mortgage**.

30. Set off and Monies held on your behalf under another Mortgage

30.1 If any of the events in condition 17 or 22.4 occur and

a. **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 **you** or any one or more of **you** which is mortgaged to **us**; and

b. 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 **your** behalf to repay the **Outstanding Balance**.

30.2 **You** irrevocably authorise **us** to apply any credit balance **we** are holding on any account in the name of any of **you**, or any other monies **we** owe any of **you** towards any of the **Outstanding Balance** which is due and payable.

31. Delay, Waiver and Mistakes

- 31.1** If we relax any term of the **Mortgage Contract** for you or we delay in enforcing any of our rights under the **Mortgage Contract** or only enforce this in part, this will not prevent us from enforcing them strictly at any time.
- 31.2** If we miscalculate the amount payable by you to us or make any other mistake about the **Mortgage Contract** this will not affect any of our rights, including our ability to claim the correct amount from you either before or after the **Mortgage** has been released, with interest at the **Interest Rate** until repayment.
- 31.3** A receipt or letter saying the **Mortgage** has been repaid in full will not prevent you from being personally liable if it is later found out that the amount of the **Outstanding Balance** was understated by mistake or if any payment or **Direct Debit** payment is refused, reversed or recalled by your bank or building society.
- 31.4** This condition 31 does not affect any legal rights which you may have as a result of the **Outstanding Balance** being understated.

32. Reimbursement

If a claim is made or a defence is raised against us because of something you do wrong or fail to do that you are supposed to do, or if you break the terms of the **Mortgage Contract**, you must pay us the full amount of our losses, liabilities, costs and payments (which would not have arisen otherwise) in any way to do with the claim, defence or breaking the **Mortgage Contract**. This includes any **Expenses** we have incurred.

33. Our Right to Transfer

- 33.1** From time to time we may **Transfer** in whole or in part, any **Loan**, **Mortgage** or other related security to any **Transferee**.
- 33.2** You agree to each **Transfer** that we may make and you understand and agree that we may do so without giving prior notice to you and without your consent.
- 33.3** You understand that a **Transfer** typically involves us **Transferring** all or some of the rights under the **Loan**, **Mortgage** or the related security to another person or organisation.
- 33.4** You agree that we may provide information about the **Application**, the **KFI Illustration**, the **Mortgage**, your **Loan**, any related security (including any **Guarantees**), the history and conduct of your **Account**, the results of any statistical, monitoring or quality analysis activity that we may carry out on your **Account** from time to time, any other relevant information; to:
- a. any such person or organisation who does, or we believe wishes to, enter into any **Transfer** with us or who does or wishes to fund or otherwise be involved in any **Transfer**, and their professional advisers;
 - b. any purchaser or potential purchaser of the **Lender** or any person who does or wishes to fund or otherwise be involved in any such purchase, and their professional advisers; and/or
 - c. any person who was previously the **Lender**, and their professional advisers.

We may provide this information at any time on, prior to or after any actual or potential **Transfer** under condition 33.1. You also understand that we may provide such information to any such person or organisation including, but not limited to, credit reference agencies for the purpose of quality analysis.

33.5 If any **Transfer** is by a building society or industrial and provident society or a subsidiary thereof you understand that unless the building society or industrial and provident society (as the case may be) decides otherwise (which it will not be obliged to do), this may lead to termination of your borrowing membership of the building society or industrial and provident society and the loss of any rights associated with such membership (such that the **Rules** do not apply to your **Account** any further) only to the extent that such membership arises from your **Loan**.

33.6 Any **Transferee** will be able to exercise the rights we have under the **Mortgage Contract** on the same terms. You agree that any **Transferee** of the **Loan** or **Mortgage** may change the **Tariff** applicable to your **Loan** and may set the **Standard Variable Rate** (if any) charged on the **Loan** independently of the rate set by us and any previous **Transferee** and by reference to their own circumstances at the time.

34. Entire Agreement

These **Conditions**, the declaration in the **Application**, the **Offer**, the **Mortgage Deed**, the **Rules** (where applicable) and any **Guarantee** comprise all the terms agreed between you and us for the **Loan**.

35. Third Party Rights

The **Contracts (Right of Third Parties) Act 1999** does not apply to the **Mortgage Contract**. This means that anyone who is not a party to the **Mortgage Contract** will have no rights under that Act in relation to the **Mortgage Contract**. A party to the **Mortgage Contract** includes anyone we **Transfer** our rights to in accordance with the **Mortgage Contract** or anyone we appoint as a receiver.

36. Severability

Each of the provisions of these **Conditions** is severable and distinct from the others. If at any time any one or more of these provisions becomes illegal, invalid or unenforceable, this will not affect the legality, validity or enforceability of the remaining provisions.

37. Law

- 37.1** The **Mortgage Contract** is governed by the laws of England and Wales. The courts of England and Wales will deal with any claim, dispute or difference arising from the **Mortgage Contract**.
- 37.2** These **Conditions** do not affect or exclude any terms and conditions implied by law unless set out expressly in the **Conditions**.

38. General Changes

As well as our other rights under these **Conditions**, we may vary any of these **Conditions** at any time if such change is not prejudicial to you and is required to correct any mistakes and/or to comply with any legal or regulatory requirements. We will give you at least one month's prior notice of such change in accordance with condition 2.

For more information call **01634 848944**
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