PEPPER MONEY

ENGLAND & WALES

GENERAL MORTGAGE CONDITIONS

2026 (Version 1.0)

This is an important legal document.

If **you** sign the **Mortgage Deed you** will be legally bound by these **Conditions** and the other **Mortgage Documents**.

These **Conditions** and the other **Mortgage Documents** comprise all the terms agreed between **you** and **us** in connection with the **Total Debt**. Also, other information provided by **us** (including in previous discussions, illustrations, quotations or representations) is superseded by the **Mortgage Documents**. Therefore, **you** must not rely upon any of that superseded information.

You should not sign the **Mortgage Deed** unless: **you** have read and understood these **Conditions** and the other **Mortgage Documents**, and **you** have obtained legal advice from a **Legal Adviser** and then decided that **you** want to be legally bound by these **Conditions** and the other **Mortgage Documents**.

If you <u>do not</u> have a Buy-to-Let Mortgage:

This matter (including the **Loan** and the other **Mortgage Documents**) <u>is</u> regulated by the Financial Conduct Authority.

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

If you <u>do</u> have a Buy-to-Let Mortgage:

This matter (including the **Loan** and the other **Mortgage Documents**) <u>is not</u> regulated by the Financial Conduct Authority.

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

1. DEFINITIONS

1.1 Words in bold print in these **Conditions** have the meaning set out below.

1.1.1 **Additional Borrowing** (also known as a further advance) is any sum of money lent by **us** that is expressly stated in writing to be secured by the **Mortgage Deed** after the original **Loan**. Any **Additional Borrowing** is subject to these **Conditions** and any variation made at that time.

1.1.2 **Assured Shorthold Tenancy** means an assured shorthold tenancy as defined in the Housing Act 1988.

1.1.3 **Bank of England Base Rate** means the rate decided by the Monetary Policy Committee of the Bank of England from time to time as being the Bank of England base rate. If for any reason it is not possible to determine the **Bank of England Base Rate** we will, acting reasonably, select and apply a comparable rate at that time.

1.1.4 **Borrower** means the person or persons shown as **Borrower** in the **Mortgage Offer** and includes their successors in title and permitted assigns.

1.1.5 **Business Day** means any day other than Saturdays, Sundays or bank holidays in England and Wales.

1.1.6 **Buy-to-Let Mortgage** means a **Mortgage** which is stated in the **Mortgage Offer** to be a **Buy-to-Let Mortgage** (including a **House of Multiple Occupation Mortgage**). This will usually be where **we** have agreed with **you** on or before the date of the **Mortgage Offer** that the **Property** will be rented out to a third party (in accordance with any requirements specified in these **Conditions** and/or the **Mortgage Offer**) and will not be occupied by **you** or a member of **your** family.

1.1.7 **Capital Repayment** is an amount **you** pay to **us** in addition to **your Monthly Payment** and any other amounts then due and payable. **You** can make a **Capital Repayment** if **your Mortgage Offer** says that **you** can do so, but **you** might have to pay an **Early Repayment** charge.

1.1.8 **Completion Date** is the date on which **we** release the money for the **Loan** to **you** or the **Legal Adviser**.

1.1.9 **Conditions** means the conditions in each paragraph of this document.

1.1.10 **Costs** are as defined in **Condition 20.**

1.1.11 **Early Repayment** is an amount **you** pay to **us** in addition to **your Monthly Payment** and any other amounts then due and payable.

1.1.12 **Guarantor** is any person who has agreed to guarantee all or part of the **Total Debt**. The **Guarantor** will also include the personal representatives of the **Guarantor** if he or she should die. The **Guarantor** may or may not provide additional security by way of an additional **Property** which will be secured by a legal charge. **We** will provide details of **your Mortgage** to any **Guarantor**.

1.1.13 **House of Multiple Occupation Mortgage** or **HMO** means a **Buy-to-Let Mortgage** which is stated in the **Mortgage Offer** to be a **House of Multiple Occupation Mortgage**. This will usually be where **we** have agreed with **you** on or before the date of the **Mortgage Offer** that the **Property** will be rented out to more than one **Household** (in accordance with any requirements specified in these **Conditions** and/or the **Mortgage Offer**) and will not be occupied by **you** or a member of **your Household**.

1.1.14 **HMO Licence** means the licence from the local authority permitting the letting of the **Property** as a **House of Multiple Occupation** or any other licencing requirement needed to provide letting the **Property** as a **House of Multiple Occupation**.

1.1.15 **HMO Regulations** means, where the **Property** is situated in England, the Licencing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 (SI 2006/373) or, where the **Property** is situated in Wales, the Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (Wales) Regulations 2006 (SI 2006/1715).

1.1.16 **Household** means either a single person or members of the same family who live together. A family includes people who are:

(a) married or living together;

(b) relatives or half-relatives, for example cousins, niece's or nephews, aunt or uncle, parents, grandparents, grandchildren, siblings;

(c) step-parents or step-children;

(d) an employer and certain specified domestic employees;

(e) an approved carer and the person receiving the care; and

(f) an authorised foster parent and a foster child.

1.1.17 **Interest** means interest **we** charge on **your Mortgage** at the applicable **Interest Rate**.

1.1.18 **Interest Period** means the period from the **Completion Date** until 23:59 hours on the day before the first **Payment Date** indicated in the **Mortgage Offer**, and thereafter each period starting at 00:00 hours on a **Payment Date** and ending at 23:59 hours on the day before the next **Payment Date.**

1.1.19 **Interest Rate** means at any time in relation to a **Loan**, the interest rate from time to time applicable pursuant to the **Mortgage Documents** to that **Loan** as set out in the relevant **Mortgage Offer**.

1.1.20 **Legal Adviser** means a solicitor holding a current practising certificate from the Solicitors Regulation Authority or a licensed conveyancer holding a current licence issued by the Council for Licensed Conveyancers.

1.1.21 **Lender Managed Rate** is a variable rate of **Interest** set by **us** and by reference to which **we** may, as indicated in the relevant **Mortgage Offer**, set the **Interest Rate** on a **Mortgage. Condition 9** below provides information on how, and in what circumstances, **we** may vary the **Lender Managed Rate**.

1.1.22 **Loan** is any sum of money which **we** lend to **you** subject to the security created under the **Mortgage Deed**. It includes each **Additional Borrowing** and further loans or advances made after the date of the original loan.

1.1.23 **Loan Balance** means the outstanding capital balance of the **Loan** from time to time (not including any arrears, unpaid **Interest** or **Costs**), it comprises part of the **Total Debt.**

1.1.24 **Month** is a calendar month.

1.1.25 **Monthly Payment** is the amount which **you** must pay each **Month** on the **Payment Date** as set out in **Condition 10**.

1.1.26 **Mortgage** is the entire legal transaction and terms contemplated by and including the **Mortgage Documents**.

1.1.27 **Mortgage Deed** is the legal document **you** sign to give **us** security over the **Property** and other assets, and to say **you** will comply with all of these **Conditions**. These **Conditions** have the same meaning in the **Mortgage Deed**.

1.1.28 **Mortgage Documents** means each of:

(a) the documents containing terms and conditions of and/or applying to the **Mortgage Deed**, a **Mortgage Offer**, a **Mortgage** application form, these **Conditions**, the **Tariff of Mortgage Charges**, each **Mortgage** application form and each declaration relating to such **Mortgage** application; and

(b) each other contract, deed and certificate (including any guarantee) entered into with **us** or provided to **us** to satisfy a requirement under of such **Mortgage Offer**, **Mortgage Deed**, any **Mortgage** application or any **Condition**.

1.1.29 **Mortgage Illustration** is a document provided by **Us** that outlines the specific terms and features of **Your** chosen mortgage product. It includes key information such as the **Interest Rate**, your **Monthly Payments**, the **Costs** associated with the **Mortgage** and the total amount to be paid over the **Mortgage Term**.

1.1.30 **Mortgage Offer** means **our** written offer of a **Loan** to **you**. **Your Mortgage Offer** may consist of more than one document.

1.1.31 **Mortgage Term** is, in relation to a **Loan**, the period of time during which **you** agree to repay the **Loan** to **us** and is shown on the relevant **Mortgage Offer**.

1.1.32 **Occupation Contract** means a tenancy or licence agreement that is (and complies with the requirements for) a standard occupation contract as defined in the Renting Homes (Wales) Act 2016.

1.1.33 **Other Rights** mean:

(a) any rights to which **you** may become entitled in respect of the **Property** for whatever reason. They may include:

(i) 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;

(ii) any agreement, option or rights relating to the **Property** or its construction, state or condition;

(iii) any share in or rights of membership in a freehold company, management company, tenants' or residents' association relating to the **Property**;

(iv) 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**;

(v) any policy providing insurance against any of the following risks, including a defect in **Title** to the **Property**, an adverse right being enforced against the **Property** or revealed in a local authority search or an earlier dealing with the **Property** being set aside or varied by a court;

(vi) 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**; and

(vii) any proceeds of any insurance policy taken out in respect of the **Property** by **you** in accordance with these Conditions (see **Condition 15**).

1.1.34 **Payment Date** means the day specified as such in the **Mortgage Offer** (or as varied in accordance with these **Conditions**). The **Welcome Letter** will confirm **your** initial **Payment Date** and **your** initial **Monthly Payment**.

1.1.35 **Periodic Tenancy** means a periodic tenancy which complies with the requirements of the Renters' Rights Act 2025.

1.1.36 **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.

1.1.37 **Planning Permission** means any permission, consent or approval given under the **Planning and Housing Acts**.

1.1.38 **Power of Sale** is when **we** are, or a **Receiver** is, entitled to sell the **Property** (including by virtue of the powers conferred by the **Mortgage Documents** and by virtue of the Law of Property Act 1925). This may happen whether or not **we** or a **Receiver** is in possession of the **Property**.

1.1.39 **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**) and in the case of a **Buy-to-Let House of Multiple Occupation** it includes each and every **Residential Unit**.

1.1.40 **Receiver** is a person **we** have the right to appoint at any time to manage the **Property** and/or do the things referred to in **Condition 7.3**, if any of the circumstances in **Condition 7.2** occur.

1.1.41 **Residential Unit** means either each unit of residential accommodation permitted to be let to a separate **Household** under the relevant **HMO Licence**; or where the **Property** consists of more than one self-contained dwelling and is not a **House of Multiple Occupation**, each of those self-contained dwellings.

1.1.42 **Taken into Possession** means that **we** or a **Receiver** has taken control of **your Property** from **you**. If **you** are in occupation **you** have to leave the **Property**, and if **you** do not leave, **you** will be considered to be occupying the **Property** wrongly, as a trespasser. **Your** rights, which might include receiving income produced from the **Property** such as rent paid by tenants (in the event that the **Property** is already let) 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.

1.1.43 **Tariff of Mortgage Charges** means a list of charges that apply to **your Mortgage**. A copy of the then current **Tariff of Mortgage Charges** will be included with the **Welcome Letter**.

1.1.44 **Title** is the documentary and other evidence that gives **you** proof of ownership of the **Property**.

1.1.45 **Title Insurer** means an insurance company instructed by **us** to provide **Title** and related insurance cover for **our** benefit only in respect of the **Loan** and/or the **Property**.

1.1.46 **Total Debt** is all the money **you** owe **us,** and any other liabilities or obligations which **you** have to **us**, under the **Mortgage**. It includes the following:

(a) any **Additional Borrowing**;

(b) the **Loan Balance;**

(c) **Interest** on the **Loan** and any **Additional Borrowing**;

(d) **Interest** on any arrears of payments, in accordance with these **Conditions**;

(e) any money owing to **us** as a result of **you** repaying the **Loan** or part of the **Loan** early, such as an **Early Repayment** charge;

(f) all **Costs** and expenses notified to **you** in respect of the arrangement, assessment and/or investigation 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) in the event that **you** fail to pay them in accordance with **Condition 15**;

(h) any other money, **Costs**, expenses, fees, premiums or additional **Interest** that may become due and owing by **you** to **us** under these **Conditions**, the **Mortgage Offer** or by law whenever they fall due; and

(i) any other financial or non-financial liability or obligation which **you** have to **us** from time to time, whether present or future, actual or potential, under the **Mortgage.**

1.1.47 **Transfer** includes a mortgage, agreement to sell, assignment (whether absolute or by way of security), transfer, charge, creation of trust over or other disposition (in each case, in law or in equity or beneficially) of some or all of **our** rights, title, interests, benefits and obligations in relation to the **Mortgage Documents**, the **Property** and/or any other related security**.** It is explained in more detail in **Condition 18.**

1.1.48 **Transferee** means anyone who is entitled to exercise any of **our** rights under the **Mortgage** and/or any other related security as a result of a **Transfer**. It is explained in more detail in **Condition 18.**

1.1.49 **We**, **our** and **us** means [dpr_LenderCompanyNameConst], t/a Pepper Money, and anyone who at any time in the future is entitled (as legal, equitable or beneficial owner) to all or any of the lender's and/or mortgagee's and/or heritable creditor's rights under the **Mortgage Documents** (including as a result of a **Transfer**, a merger or consolidation with another person, a take-over and/or a group reorganisation).

1.1.50 **Welcome Letter** means the letter **we** will send **you** on or shortly after the **Completion Date,** which will confirm, among other things, **your** initial **Payment Date** and initial **Monthly Payment**. Please contact **us** if **you** have any questions about anything in the **Welcome Letter**.

1.1.51 **You** or **your** 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 other **Mortgage Documents** apply equally and separately to each of **you**. That means each of **you** is responsible on **your** own for the **Total Debt**.

2. MORTGAGE OFFER

2.1 If **we** provide **you** with a **Mortgage Offer**, it contains instructions on how to accept it. **You** must follow those instructions if **you** choose to accept the **Mortgage Offer.**

2.2 **Your Mortgage Offer** states the date on which it expires if not accepted by **you** before that date. **You** should check **your Mortgage Offer** to find out how long the offer is valid for, and if **you** wish to accept the **Mortgage Offer**, **you** must do so before its expiration date. **Your Mortgage Offer** will also state the latest date by which the **Completion Date** must occur. This means that the **Mortgage Offer** will expire if **we** have not completed the **Loan** and released the money for the **Loan** by that date. **You** should check **your Mortgage Offer** to find out how long **you** have to complete the **Loan**.

2.3 **You** must not alter the **Mortgage Offer**.

2.4 The **Mortgage Offer**, the **Mortgage Deed** and these **Conditions** are not legally binding between **you** and **us** until **we** make the **Loan** to **you**.

2.5 **Your Mortgage Offer** will set out**:**

2.5.1 any conditions to be fulfilled before **you** can accept the **Mortgage Offer**;

2.5.2 the circumstances in which (and how) **we** may withdraw the **Mortgage Offer**; and

2.5.3 the consequences of **you** not accepting the **Mortgage Offer** (including any amounts **you** have paid that are non-refundable).

2.6 **You** will be responsible for **your** own **Legal Adviser's** costs even if **you** do not go ahead with the **Mortgage** or if **we** withdraw the **Mortgage Offer**.

2.7 **You** must tell **us** immediately before **we** fund the **Loan** if **your** circumstances change or if there is a material change in the information **you** provided **us** in connection with the **Loan** in any application or otherwise. If at any time after **we** have advanced the **Loan** to **you** it becomes evident to **us** that **you** did not provide **us** with true and accurate information, and in circumstances where **we** would not have made the **Mortgage Offer** had **we** had been provided true and accurate information, **we** may without affecting **our** other rights under the **Mortgage**, demand **you** immediately repay the **Total Debt** in full.

2.8 When **we** release any **Loan** money to **you**, **we** do not guarantee that either the price or condition of the **Property** is reasonable. **You** may want to consider obtaining a full structural survey to satisfy yourself on these points before the **Loan** is made.

3. JOINT BORROWERS

3.1 If there is more than one of **you** named as the **Borrower** under the **Mortgage Offer**:

3.1.1 the **Mortgage Documents** apply to all of **you** together and each of **you** individually. Each of **you** is individually responsible for complying with the terms of the **Mortgage Documents**. This means that **we** can seek any payments due under the **Mortgage Documents** from both of **you** together or each of **you** individually; and

3.1.2 unless **you** tell **us** to the contrary in writing **we** may act on instructions, notices or signature of any of **you** as if given by all of **you.**

3.2 Where a **Borrower** does not have a legal interest in the **Property**, the **Mortgage Deed** will describe the **Borrower** with the legal interest in the **Property** as the mortgagor. This description is intended purely to identify the legal owner of the **Property** and the mortgagor is and continues to be a **Borrower** under the **Mortgage**.

4. MORTGAGE DOCUMENTS

4.1 If there is any inconsistency between these **Conditions**, the **Mortgage Deed** and the **Mortgage Offer**, the following order of priority will apply:

1. the **Mortgage Offer**;
2. the **Mortgage Deed**; and
3. these **Conditions**.

5. YOUR OBLIGATIONS

5.1 During the **Mortgage Term you** must:

5.1.1 make the **Monthly Payments**;

5.1.2 comply with **your** obligations in respect of insuring the **Property** as set out in **Condition 15**;

5.1.3 do whatever is required by the **Mortgage** for as long as any of the **Total Debt** is unpaid;

5.1.4 do whatever is required by the deeds and documents affecting the **Property** and **Other Rights** and comply with all covenants affecting the **Property** and **Other Rights** and all regulations of the local or other authority including planning conditions which affect the **Property** and **Other Rights**;

5.1.5 complete (properly, without delay and in accordance with applicable building regulations, **Planning Permissions** and other consents) any building work carried out on the **Property** at the time **your Mortgage** is signed or at a later date as agreed with **us**;

5.1.6 allow **us** or **our** agents to visit and inspect the **Property** (subject, except in emergencies, to **our** providing reasonable advance notice) in order to ensure **you** have complied with the **Conditions** or to obtain an assessment of the **Property**;

5.1.7 keep the **Property** in good repair;

5.1.8 (except where the **Mortgage** is a **Buy-to-Let Mortgage**) live in and use the **Property** as **your** main residence;

5.1.9 (except if permitted by and in accordance with **Condition 21,** or **you** have first obtained **our** advance written consent) not, in respect of the **Property**:

(a) grant or extend a lease, licence to occupy or **Occupation Contract**;

(b) allow anyone to surrender a lease;

(c) transfer or sell it;

(d) dispose of it or any interest **you** have in it;

(e) part with or share possession of it or any part of it.

We will not be bound by any agreement entered into contrary to the above;

5.1.10 comply fully with **Planning and Housing Acts** or any other legislation in relation to the **Property**;

5.1.11 comply fully with any notice from any statutory authority or other governmental entity relating to the **Property**. In the event that **you** receive such a notice **you** must send **us** a copy without delay and provide to **us** such information as **we** reasonably require to monitor **your** compliance with it. If **you** receive any compensation arising from any notice **you** receive, **you** must pay this compensation to **us** and **we** will use it to reduce the outstanding balance of the **Loan**. **You** will hold on trust for **us** any such compensation **you** receive;

5.1.12 inform **us** immediately of any increased or new interest **you** obtain in the **Property** and provide **us** with a new **Mortgage Deed** (if **we** require it any time after such notice) over any such new interest;

5.1.13 not make any alterations or additions to the **Property** or change its use without first obtaining **our** advance written consent. These works may require **Planning Permission** and/or building regulation consent, and **you** must ensure **you** comply with any **Planning and Housing Acts**;

5.1.14 not allow anything to be done to the **Property** which might increase the cost of insuring it;

5.1.15 not damage the **Property** or do anything to lessen the value of the **Property** or **Other Rights** in any way;

5.1.16 ensure that all taxes, service charges, rates and rents are paid promptly in respect of the **Property** and **Other Rights**. If **we** require, **you** will promptly provide **us** with copies of all receipts and evidence of such payments within a reasonable time from the date of **our** request;

5.1.17 not apply for a grant on the **Property** without first writing to **us** to obtain **our** written advance consent;

5.1.18 not take out any other loan secured on the **Property** or otherwise create any charge over or grant any rights in the **Property**, without first getting **our** advance written consent;

5.1.19 not sell or transfer the **Property** or any part of it to any other person, other than in connection with the paying off and discharging the **Total Debt**, without **our** advance written consent; or

5.1.20 (if the **Property** is leasehold) not ask **your** landlord for an extension of the lease, or agree any alteration to it, without **our** advance written consent. **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** may reasonably require as a condition of **our** consent.

5.2 If **you** own the **Property** under a lease, **you** must:

5.2.1 observe, perform and comply with all the tenant obligations and take all reasonable steps to ensure that the landlord complies with all obligations of the landlord under the lease;

5.2.2 obtain **our** prior written consent before **you** extend the term of the lease or acquire the whole or any part of the freehold or a commonhold unit or shares in any entity that holds such an interest, and immediately:

(a) deliver to **us** the extended lease, title deeds to the freehold or commonhold unit or the documents evidencing **your** interest in the freehold or commonhold unit;

(b) if **we** request, execute at **your** expense a first legal charge over such extended lease or interest in the freehold or commonhold in **our** favour to secure the **Total Debt**; and

(c) observe and perform all obligations imposed on **you** as a condition of the grant of the extended lease or such interest in the freehold or commonhold.

5.2.3 inform **us** of any proposal to convert the leasehold title to commonhold;

5.2.4 not serve any notices under the Leasehold Reform Acts in respect of the **Property** without informing **us** first;

5.2.5 keep **us** informed of any steps **you** take in connection with the Leasehold Reform Acts;

5.2.6 pay any compensation **you** receive under the Leasehold Reform Acts to **us** immediately on receipt, following which **we** will apply such compensation to reduce and/or discharge the **Total Debt** in accordance with **Condition 8.3** and then pay any outstanding charges;

5.2.7 inform **us** within five (5) **Business Days** of any notice **you** receive from the landlord related to the **Property**; and

5.2.8 get **our** prior written consent before **you** give up, waive any rights under or agree to amend the lease.

5.3 If **you** are a company, **you** warrant that **you** were established for the sole purpose of owning buy-to-let property and **you** shall ensure that throughout the period from the **Completion Date** to the end of the **Mortgage Term**:

5.3.1 that the standard industrial classification of economic activities (SIC) in respect of **you** in the register maintained by the Registrar of Companies in relation to **you** is 68100, 68201, 68209 and/or 68320 (and not any other SIC);

5.3.2 that **you** have no employees;

5.3.3 that **you** have no liabilities other than the **Total Debt**, other liabilities directly connected with **your** business of owning buy-to-let properties or liabilities required by law; and

5.3.4 that **you** have no other activities other than owning, administering and managing the **Property** and **Other Rights** in accordance with the **Mortgage Documents** (or such other activities as are reasonably incidental to those activities).

5.4 If the **Property** is less than 10 years old or has been converted into its current use in the last 10 years, it must have the benefit of a home warranty indemnity insurance scheme acceptable to **us** and the construction must have taken place with full **Planning Permission** and with local authority supervision.

5.5 If the **Property** is sold (either by **us** or by a **Receiver** after enforcement of **our** rights under these **Conditions** or otherwise) and the sale proceeds after payment of any **Costs** are less than the **Total Debt**, **you** will be responsible for paying the shortfall to **us** on demand with **Interest** (even if **we** have agreed to release the **Mortgage Deed** over the **Property** in connection with the sale). **Your** obligations under this **Condition** will continue even after the **Mortgage Deed** has been released.

5.6 Where the **Mortgage** is a **Buy-to-Let Mortgage**, **you** must have received (and for the **Mortgage Term**, maintain and comply with the conditions of) all relevant licenses and **Planning Permissions** required by **your** local authority, including an **HMO Licence**.

5.7 If **you** fail to observe any of these obligations, **we** have the right to sell **your Property** and to recover the money **we** have lent **you** and other amounts **you** owe **us**. If that happens, the sale may not produce enough money to repay and discharge all of 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.

6. OUR POWERS

6.1 If **you** breach, or fail to fulfil, any of **your** obligations under **your Mortgage**, **we** will be entitled to take such action (including making such payments) as is reasonably necessary to fulfil them on **your** behalf and/or remedy such breach of, or failure to fulfil, them. **You** will be responsible for any **Costs we** reasonably incur in taking such action, in accordance with **Condition 20**.

6.2 In exercising **our** powers under **Condition 6.1 we** may 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**. **We** will act reasonably when **we** use any of **our** rights.

7. DEFAULT

7.1 For the purpose of this **Condition 7**, a reference to ‘tenant’ or ‘tenants’ shall be deemed to include a ‘contract holder’ or ‘contract holders’ under an **Occupation Contract** to the extent applicable.

7.2 **We** may give **you** notice requiring **you** to repay the **Total Debt** immediately and in full:

7.2.1 if an amount which equals or exceeds the total of the two most recent **Monthly Payments** has become due under the **Mortgage Documents** but is unpaid;

7.2.2 if an insolvency or bankruptcy order is made against **you** or any **Guarantor** (if there is one) or **you** or a **Guarantor** otherwise becomes insolvent or bankrupt or enters into any arrangement with or for the benefit of **your/**their creditors;

7.2.3 if **you** fail to observe any other material obligation under or requirement of **your Mortgage** (and, if the breach is capable of remedy, **you** have failed to remedy the breach within a reasonable time of **us** requesting **you** to do so);

7.2.4 if, without **our** advance written consent, **you** create any right in respect of, or grant any interest in, the **Property** in a manner that affects **our** ability to enforce **our** rights;

7.2.5 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;

7.2.6 if the **Property** or any part of it is damaged and in **our** reasonable opinion or that of **our** agents the value of **our** security is materially lowered;

7.2.7 if a mortgagee or other person interested in the **Property** takes proceedings for possession or to realise their interest in it or otherwise enforce their interest;

7.2.8 if **you** (or someone on **your** behalf) gave **us** incorrect, incomplete or misleading information or failed to give **us** true, accurate and complete information requested, and that information if properly provided when **you** applied for or obtained the **Loan** would have had a significant negative effect on **our** decision to lend to **you;**

7.2.9 if **you** are the only **Borrower**, **you** die or if there is more than one **Borrower**, the last one of **you** dies;

7.2.10 if any material aspect of the **Mortgage Deed**, the **Mortgage Offer** and/or these **Conditions** ceases to be valid or legally binding on **you** (including, without limitation, if **you** are a company, the **Mortgage Deed** is not duly registered as a charge created by **you** by the Registrar of Companies on or before the 21st day following the date of the **Mortgage Deed**);

7.2.11 if the **Property** is a leasehold, **you** breach the terms of the lease and receive a notice under Section 146 of the Law of Property Act 1925 requiring **you** to cure the breach and **you** fail to do so in the time set out in the notice;

7.2.12 if **you** give the **Property** to **us** or if **you** abandon it; and

7.2.13 if **you** or any **Guarantor** is a body corporate (the **Body Corporate**) and:

(a) notice is given of intention to appoint an administrator of the **Body Corporate** or a receiver of its property;

(b) an application to appoint an administrator or a petition is presented for the winding up or dissolution of the **Body Corporate**;

(c) a liquidator or an administrator is appointed;

(d) a receiver is appointed over all or a material part of the **Body Corporate's** assets;

(e) the **Body Corporate** is dissolved or struck off;

(f) the **Body Corporate** ceases to carry on all or a material part of its business;

(g) the **Body Corporate's** assets are distrained against;

(h) there is any change in the directors or shareholders of the **Body Corporate** without **our** prior written consent;

(i) the **Body Corporate** stops or suspends payment of any of its debts, or is unable to, or admits its inability to, pay its debts as they fall due; and/or

(j) the value of the **Body Corporate's** assets is less than its liabilities, taking into account contingent and prospective liabilities.

7.3 **We** have, and a **Receiver** shall have, the power to sell the **Property** given to **us** by Section 101 of the Law of Property Act 1925 free from the restrictions in Section 103 of that Act. This means that **we** may exercise **our** rights under this **Condition 7** irrespective of whether **we** have sent notice to **you** requiring **you** to repay the **Total Debt**, **you** have breached the terms of the **Mortgage**, or **you** are not up to date in respect of **Monthly Payments**, but we will only do so in the circumstances set out in **Condition 7.1**.

7.4 At any time or times after the **Total Debt** becomes immediately due and payable (including, without limitation, under **Condition 7.1**), **we** (or a **Receiver** appointed by **us**) may do any of the following:

7.4.1 take possession of the **Property** (and any actions/proceedings necessary to do so) and require **you** to leave it;

7.4.2 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;

7.4.3 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. (For example, these powers include the ability to take a surrender of leases and to insure the **Property**);

7.4.4 appoint a **Receiver**;

7.4.5 exercise all other powers conferred on **us** as a mortgagee under the Law of Property Act 1925;

7.4.6 vary the terms or accept surrenders of leases and grant or renew leases, tenancies or **Occupation Contracts** of the **Property** free of the restrictions of Section 99 of the Law of Property Act 1925, or sell or otherwise dispose of it, as **we** reasonably think fit;

7.4.7 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** reasonably think fit (without assuming any legal responsibilities associated with repossessing the **Property**, and, other than in emergency circumstances, will give **you** at least seven (7) days' notice of **our** intent to enter the **Property)**;

7.4.8 employ and also pay persons for carrying out any of these powers at a price or fee and upon any terms as **we** reasonably think fit;

7.4.9 let and manage the **Property** (but this will be at **your** risk);

7.4.10 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**;

7.4.11 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. Provided **we** have acted reasonably in exercising this right, **we** will not be responsible for any loss or damage that may occur, and **you** will be responsible for **our Costs**;

7.4.12 (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**;

7.4.13 retain all sums allowed to **us** by way of commission or otherwise. Unless **we** are required to disclose or give **you** the commission, they will belong absolutely to **us**;

7.4.14 divide the **Property** as **we** reasonably see fit and sell any part of the **Property** separately. **We** may also sell the **Property** for a price to be paid in instalments over a period that **we** shall reasonably determine if **we** reasonably believe that **we** will be able to obtain a better price for the **Property**;

7.4.15 sell, agree to sell or grant an option over all or part of the **Property** and any other security for the **Total Debt** on any terms; and/or

7.4.16 (if **you** are a company):

(a) by notice in writing to **you**, convert any floating charge contained in the **Mortgage Deed** into a fixed charge; and/or

(b) appoint an administrator of the company.

(c) where **you** try to create security over **your** assets, or any person seeks to distrain or seize **your** assets, or take action to do so, then any floating charge contained in the **Mortgage Deed** will automatically take effect as a fixed charge.

7.5 If **we** appoint a **Receiver** at any time to manage the **Property** and/or do the things referred to in **Condition 7.3** then:

7.5.1 it will not mean that the **Property** has been **Taken into Possession** unless **you** are specifically notified by the **Receiver** or **us** that that is the case;

7.5.2 the **Receiver** will act as **your** agent and therefore **you** will be responsible for their **Costs** and actions;

7.5.3 **You** will be bound by, and liable for, any agreements the **Receiver** enters into when acting as **your** agent;

7.5.4 **We** may decide the **Receiver's** compensation and terms of engagement;

7.5.5 **We** can change and appoint a replacement **Receiver** at any time if **we** think it is reasonable to do so in the circumstances;

7.5.6 any money the **Receiver** receives will be used to pay amounts owed in the following order:

1. the **Receiver's** expenses and fees;
2. other amounts **you** owe **us** (including, but not limited to, the **Total Debt**);

7.5.7 the **Receiver** can apply the money he or she receives to pay the **Total Debt** and other amounts **you** owe in any order and need not pay off **Interest** first.

If there is any money which is left over once these other amounts have been satisfied, such money will be payable to **you**; and

7.5.8 the **Receiver** will have and be entitled to exercise all powers given by the Law of Property Act 1925 to a receiver and all powers given to **us** by the **Mortgage Documents**. The **Receiver** shall also be entitled to exercise in relation to the **Property** and any other security for the **Total Debt** all the powers of an absolute beneficial owner. The **Receiver** does not have authority to do anything **we** specifically exclude in writing at the time they are appointed or afterwards.

7.6 As the owner of the **Property**, **you** may be a member of a freehold company, a management company or a tenants' or residents' association. If **we** have no **Mortgage** or fixed charge 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 keep any payment made for the transfer.

7.7 The money that **we** receive after **we** have exercised any of the powers contained in these **Conditions** will be used as follows:

7.7.1 firstly, **we** will pay all **Costs** 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;

7.7.2 secondly, **we** will use any remaining money towards repaying and discharging the **Total Debt**; and

7.7.3 thirdly, if any money remains after the **Total Debt** has been paid and discharged, **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).

7.8 Section 109 of the Law of Property Act 1925 will apply as if the words "not exceeding five per centum on the gross amount of all monies received" were omitted from its subsection (6) and as if subsection (8)(iv) read "in payment of the money whether for interest or otherwise in arrear or accruing due under the mortgage". This means a **Receiver's** remuneration is not limited and alters the method by which a **Receiver** can apply money received.

7.9 If the **Property** has been mortgaged in a way that gives someone else a first claim on it or someone has been granted or has obtained an interest in the **Property** ahead of **our Mortgage Deed, we** have the right, at **our** option, and without an obligation to do so, to buy out the other person’s rights; at any time:

7.9.1 after **you** fail to cure the problem in the time stated in any notice **we** give **you** demanding that **you** pay the debt secured by such person’s interest and obtain a release of that interest; or

7.9.2 as soon as any powers under that claim or interest have come into force.

You will be bound by any agreement **we** reach with the other person; and **you** will have to pay **us** back any money **we** paid in buying out the other person’s interest in the **Property**.

7.10 **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**.

7.11 All **Costs** that **we** reasonably 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 20**).

8. INTEREST

8.1 **We** will charge **you Interest** on the **Total Debt** until it is repaid in full. This applies even if **we** obtain a court order against **you** for payment of some or all of the **Total Debt.**

8.2 **Interest you** owe **us** will accrue on a daily basis and be calculated and charged based on the **Total Debt you** owe **us** at the end of the previous day.

8.3 **We** will use any payments **you** make to **us** under the **Mortgage** in the following way. First, **we** will use them to pay off the balance of any **Monthly Payment** arrears (excluding any **Interest** or charges on that balance). Then **we** will use any balance to pay off any **Interest**, **Costs** and charges **you** owe. **We** will apply any remaining balance to reduce the **Loan**, and therefore the **Total Debt**.

8.4 **Interest** on the **Loan Balance** which accrues in any **Interest Period** shall be due and payable on the next **Payment Date** as part of **your Monthly Payment**, or, if earlier, when the **Total Debt** (inclusive of **Interest**) is repaid in full.

8.5 **Interest** which **you** do not pay when due will be added to the **Total Debt**, such that **Interest** will accrue as compound interest.

8.6 The **Interest Rate** is an annual rate. To calculate the amount of **Interest** accruing on a daily basis, **we** divide the amount of the annual **Interest** by 365, or 366 in a leap year.

8.7 **We** may change the method of calculating the **Interest** (including whether it is charged in arrears or advance) to reflect changes in **our** procedures or systems, where it is reasonable to do so. If **we Transfer** any or all of **our** rights under the **Mortgage Documents** to another person, that person may change such method to reflect their procedures and systems where it is reasonable to do so. However, any change in the way in which **Interest** is calculated will not materially increase **your** obligations. **We** will give **you** not less than one **Month's** notice in advance of any change in the method **we** calculate **Interest.**

9. VARIATION OF INTEREST

9.1 The **Mortgage Offer** will set out the **Interest Rate** applicable to **your Mortgage**:

9.2 Where **we** have agreed in the **Mortgage Offer** a fixed rate of **Interest** for any period in respect of any **Loan**, **we** will not vary the **Interest Rate** for that period.

9.3 Where **we** have agreed in the **Mortgage Offer** a rate of **Interest** which is linked to an independently set rate, such as (but not limited to) the **Bank of England Base Rate**, the **Interest Rate** will change by reference to the independently set rate at the times, in the manner and on the terms set out in these **Conditions**.

9.4 Where the **Mortgage Offer** specifies that the **Interest Rate** will be calculated by reference to the **Lender Managed Rate,** this is a variable rate which can be changed by **us** from time to time in the manner and on the terms set out in these **Conditions**. The **Lender Managed Rate** (and, correspondingly, the **Interest Rate**) can be changed by **us** for any of the following reasons by giving **you** notice:

- 9.4.1 to respond to changes in the **Bank of England Base Rate**;
- 9.4.2 to respond to an increase in **our** funding costs in respect of the **Mortgage**;

9.4.3 to respond to an increase (beyond **our** reasonable control) in **our** administrative or other costs in providing the **Mortgage**;

9.4.4 to respond proportionately to changes in the law or the decisions of a court or ombudsman; or

9.4.5 to meet relevant regulatory requirements.

Any change that **we** make to the **Lender Managed Rate** under this **Condition 9.4** will be proportionate to the circumstances giving rise to the change.

9.5 **We** will inform **you** in writing of any change to **your Monthly Payment** as a consequence of a change in the **Interest Rate** under **Condition 9.3 or 9.4** at least 14 days before such revised **Monthly Payment** is due**.**

10. THE MONTHLY PAYMENT

10.1 **You** must pay **us** the **Monthly Payment** on each **Payment Date** until such time as **you** have paid the **Total Debt**.

10.2 The initial **Monthly Payment** and initial **Payment Date** are stated in the **Mortgage Offer**.

10.3 Subject to **Condition 11**, the amount of the **Monthly Payment** will be calculated by **us** based on the **Interest** that has accrued on the **Loan Balance** since the preceding **Payment Date** and the payment of capital required so as to ensure the repayment in full of the **Loan** (and any **Interest** accruing on it) by the end of the **Mortgage Term** shown in the **Mortgage Offer**.

10.4 Unless **we** agree (or inform **you**) otherwise, the **Monthly Payment** will not include, and will not reduce, any part of the **Total Debt** other than the **Loan Balance** and **Interest** that has accrued thereon.

10.5 **We** will consider, and will not unreasonably withhold **our** consent for, a request to change the **Payment Date**. If **we** consent to the change, **we** will write to **you** to tell **you:**

10.5.1 when the changed **Payment Date** will first come into effect,

10.5.2 whether the **Interest Period we** use to calculate the first **Monthly Payment** after the change will be longer or (if **we** agree) shorter than one **Month,** and

10.5.3 how much **your Monthly Payment** will be for that **Month**.

10.6 For a particular **Interest Period** in which there is a **Payment Date** change:

10.6.1 if **you** pay **your Monthly Payment** by direct debit, **we** will change the amount payable under the direct debit for the relevant **Interest Period** so that **you** pay the **Monthly Payment** in full for that period; and

10.6.2 if **you** pay **your Monthly Payment** by a standing order at **your** bank, **your** usual standing order will not match the **Monthly Payment you** owe **us** for that **Interest Period. You** will need to pay **us** any shortfall. If there is a surplus, **we** will apply the surplus in accordance with **Condition 8.3**.

10.7 **Your Monthly Payment** will be calculated assuming each month is an equal one-twelfth of the year.

10.8 The **Monthly Payment** may be changed by **us** from time to time by giving **you** notice in writing:

10.8.1 when there is a change in the **Interest Rate** or the **Mortgage Term**;

10.8.2 when **you** have taken any **Additional Borrowing**;

10.8.3 if **you** have made an **Early Repayment**; or

10.8.4 by agreement with **you**.

You should note that if **you** pay more than **your Monthly Payment** due on any **Payment Date**, only that part of the excess amount over any outstanding arrears amounts, **Interest**, **Costs** or fees owing to **us** at the time, will be treated as a **Capital Repayment** which may result in a change to **your Monthly Payment**. **You** may not pay less than the **Monthly Payment** due on any **Payment Date,** or elect to suspend, delay or take a "payment holiday" as to any such **Monthly Payment**.

10.9 **We** may by agreement with **you** amend the **Monthly Payment** in order to recover **Costs** (including among other items, insurance premiums) or any other part of the **Total Debt** payable by **you** under these **Conditions** where **you** have not paid them within a reasonable time of **us** requesting **you** to do so (or to ensure such amounts are repaid by the end of the **Mortgage Term**).

10.10 The **Monthly Payment** (and any excess amount paid) will be applied in accordance with **Condition 8.3**.

10.11 Any part of a **Monthly Payment** that **you** fail to pay on the **Payment Date** will be arrears, added to the **Total Debt**, and unless **we** agree otherwise, must be paid immediately in full.

11. INTEREST ONLY MORTGAGES

11.1 If **your Mortgage Offer** specifies that **you** have an interest only **Mortgage** or **we** allow **you** to pay **your Mortgage** (or any part of it) on an interest only basis, the **Monthly Payments you** make during the **Mortgage Term** will pay accrued **Interest** on the **Loan Balance** in an **Interest Period** only and will not reduce the **Total Debt.**

11.2 At the end of the **Mortgage Term, you** will have to repay from **your** own resources the **Total Debt** owed to **us**.

11.3 It is **your** responsibility to make certain that **you** can repay the **Total Debt** at the end of the **Mortgage Term**. In order to achieve this, **you** must ensure that **you** have an adequate repayment strategy in place. It is **your** responsibility to check that any repayment strategy is adequate to repay the **Total Debt** at the end of the **Mortgage Term**.

11.4 **You** should regularly review **your** chosen means of repayment to make sure it continues to be suitable and that it is on track and an appropriate means of repayment of the **Total Debt** at the end of the **Mortgage Term**.

11.5 If an adequate repayment strategy is not in place, **you** should inform **us** as soon as possible and seek independent financial advice.

11.6 **You** must promptly provide **us** with evidence when requested, that **your** repayment vehicle remains suitable to repay the **Total Debt** at the end of the **Mortgage Term**. **We** may write to **you** from time to time to remind **you** to review the adequacy of **your** repayment strategy.

11.7 If **your Total Debt** is not paid off at the end of the **Mortgage Term**, **you** or **we** may have to sell the **Property** to try to repay all or part of the **Total Debt** and **Interest** will be charged on the amount outstanding until it is fully paid off.

12. EARLY REPAYMENT IN FULL

12.1 If **you** wish, **you** may repay **your Loan** in full before the end of **your Mortgage Term**. If **you** wish to repay all of **your Loan** before that date **you** will need to pay the **Total Debt** as at the date of repayment (which will include **Interest** calculated up to the date **we** receive repayment).

12.2 **Your Mortgage Offer** will state whether any **Early Repayment** charge will apply, and if so, how it is calculated.

12.3 **We** may not release the whole or part of **your Mortgage** until all money has been received by **us** to clear the **Total Debt**.

12.4 If **you** ask **us**, **we** will tell **you** how much **you** will need to pay on the date of a full **Early Repayment**.

13. PARTIAL EARLY REPAYMENTS

13.1 **You** may make a partial **Early Repayment** of **your Loan** by way of a lump-sum or regular payments in accordance with **your Mortgage Offer**.

13.2 **Your Mortgage Offer** will state any conditions that apply to partial **Early Repayments**, whether any **Early Repayment** charge will apply, and if so, how it is calculated.

13.3 **We** will apply partial **Early Repayments** to the **Total Debt** in the order set out in **Condition 8.3**.

14. MISTAKES

14.1 If **we** miscalculate the amount payable by **you** to **us** or make any other mistake about the **Total Debt** this will not affect any of **our** rights, including **our** ability to claim the correct amount from **you** (either before or, subject to **Condition 14.2**, after the **Mortgage** has been discharged) with **Interest** at the **Interest Rate** until repayment. However, **we** will act reasonably in exercising **our** rights and **we** will seek to agree with **you** a repayment method which **you** are able to afford.

14.2 If **we** release **your Mortgage** in error (because, for example, **we** miscalculate the amount and/or extent 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 three (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.

14.3 **Your** receipt of a letter from **us** saying the **Total Debt** has been repaid and/or discharged in full will not prevent **you** from being personally liable if it is later found out that the amount and/or extent of the **Total Debt** was understated by mistake. However, **we** will act reasonably in exercising **our** rights.

14.4 **Your** continued liability under **Conditions 14.1** to **14.3** does not affect any legal rights which **you** have as a result of the **Total Debt** being understated.

15. INSURANCE COVER

15.1 Unless the **Property** is leasehold and the terms of the lease require **your** landlord to insure the **Property**, **you** must arrange for the **Property** be insured and kept insured with a reputable insurance company against loss or damage by any of the risks which comprehensive buildings insurance in the United Kingdom normally covers (including, without limitation, fire, landslip, subsidence and heave). The initial sum insured must not be less than the full re-instatement value of the **Property** (as recommended in a professional mortgage valuation) together with architects' surveyors' and other professional fees, demolition costs, debris removal costs, any costs associated with meeting any building or governmental regulations. The sum insured must be on an index-linked basis, so that the sum insured must track the full reinstatement value of the **Property** taking into account inflation. **You** will be responsible for paying any excess in the event **you** make any claim under the insurance.

15.2 **You** are responsible for paying the premiums and other insurance charges when due.

15.3 The following terms apply if the **Property** is leasehold and the terms of the lease require that the landlord insure the **Property**:

15.3.1 **you** must make all reasonable efforts to ensure that the landlord insures the **Property** on terms consistent with **Condition 15.1**;

15.3.2 If the landlord does not insure the **Property** as required, **you** must inform **us** and put in place such insurance cover as **we** may reasonably require; and

15.3.3 **you** must, on request, show **us** such documentation relating to the insurance policies as **we** may reasonably require.

15.4 The insurance must be in force:

15.4.1 if **you** are getting the **Mortgage** in connection with **your** purchase of the **Property**, when contracts are exchanged; or

15.4.2 otherwise (such as if **you** are re-mortgaging), on or before the **Completion Date**.

You must provide to **our Legal Adviser**, at least five (5) **Business Days** prior to the **Completion Date**, a copy of the buildings insurance policy complying with these **Conditions** together with written evidence that the premium has been paid.

15.5 If:

15.5.1 **you** do not make and maintain the insurance arrangements required by this **Condition 15** (as applicable);

15.5.2 **you** do not make sure the required the insurance premiums are paid; or

15.5.3 **you** do not provide **us** with written evidence on request that the required insurance arrangements are being maintained and the premiums are being paid, and a copy of the insurance policies; or

15.5.4 any of the events set out in **Condition 7.2** have occurred;

then **we** may (but are not required to) insure the **Property** for such amount and on such terms as **we** may reasonably decide. Any such insurance premiums **we** pay will be treated as **Costs** and shall be payable by **you**. The cost of the premiums will be added to **your Total Debt** together with any **Costs we** incur in administering the insurance**.** Any insurance **we** arrange under this provision shall be solely for **our** benefit and will not cover **your** interest in the **Property**. **We** may retain any sums **we** receive, whether as commission or otherwise, from the insurance company providing the insurance and **we** shall not be required to account to **you** unless required by law to do so.

15.6 **You** must not do anything or omit to do anything which might prejudicially affect any insurance policy affecting the **Property** or breach any of its terms; or to allow any such action or omission to occur.

15.7 **You** are responsible for telling **your** insurers about any changes in circumstances which may affect **your** insurance cover.

15.8 **You** must tell **us** (as soon as possible and in any event within 10 **Business Days**) of any circumstances preventing or likely to prevent **you** (or **your** landlord (as applicable)) from being entitled to make a claim under any insurance policy related to the **Property**.

15.9 If a claim is made under any insurance policy **we** may, acting reasonably, negotiate all the details and settle claims with the insurers, and **you** must do anything reasonably necessary to enable **us** to do this.

15.10 Insurers will be entitled to pay any money receivable under any insurance policy **you** put in place to **us** instead of to **you** and when doing so, satisfy their obligations to **you**. **We** may use the proceeds to pay **our** related **Costs** and apply the balance pursuant to **Condition 15.11**.

15.11 Money paid as a result of any buildings insurance claim (paid to either **you** or **us**) must be used, at **your** option, either to repay part of **your Total Debt** or to repair or rebuild the **Property** unless it is not reasonably practicable to do so.

15.12 If payment is made directly to **you**, this money is held by **you** on trust for **us** (i.e. on **our** behalf) and kept separate from **your** own funds.

15.13 **You** must put in place, maintain and comply with all of the terms of any other insurance policies **we** require in the **Mortgage Offer** that **you** to take out. If **you** fail to pay the premiums for and maintain such insurance, **we** may do so and the amount of the premiums will be treated as **Costs**, and any further **Costs we** reasonably incur shall be recoverable under the **Mortgage**. **We** will have the right to settle any insurance claim made under such insurance policy on reasonable terms.

15.14 For the purpose of **Conditions 15.1** to **15.3**, 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.

16. LEASEHOLD PROPERTY

16.1 **You** must ensure **you** pay all service charges, ground rent and other amounts promptly to **your** landlord. If there is a dispute **you** must inform **us** immediately. **We** may pay **your** landlord any monies due and/or perform and/or discharge **your** obligations to **your** landlord to prevent **your** landlord from entering into possession of **your Property**. **You** will be responsible for paying **us** on demand any **Costs we** incur in this respect.

17. GUARANTORS

17.1 The **Mortgage Offer** will specify if **you** are required to provide one or more **Guarantors** for **your Mortgage**.

18. TRANSFER OF THE MORTGAGE

18.1 **We** may at any time and from time to time enter in into a **Transfer** to any person (a "**Transferee**"). A **Transfer** will not change the terms of the **Mortgage Documents** or reduce **your** guarantees under the **Mortgage Documents**.

18.2 **You** agree that any **Transfer** under **Condition 18.1** may be at law, in equity or beneficially and any assignment may be absolute or by way of security.

18.3 **You** agree to each **Transfer** under **Condition 18.1** that **we** may make, and **you** understand and agree that **we** may do so without giving notice to **you** and without **your** consent.

18.4 **You** understand that a **Transfer** under **Condition 18.1** typically involves **us** transferring all or some of **our** rights under the **Loan**, **Mortgage Documents** or the related security to another person or entity as **Transferee**.

18.5 In connection with such a **Transfer you** agree that:

18.5.1 **we** may disclose any information relating to **you,** the **Mortgage** or the related security, the **Property**, any supporting documentation, the history and conduct of **your** account, the results of any statistical, monitoring or quality analysis activity that **we** may have carried out on **your** account from time to time, and any other relevant information; to any person or entity that does, or **we** believe wishes to, (a) enter into a **Transfer,** with **us**, (b) fund or otherwise be involved in or evaluate a **Transfe**r, (c) purchase or evaluate a purchase or funding of a purchase of all or part of **our** business, or otherwise be involved in any such purchase, and (d) any prior holder of the **Loan** or **Mortgage** or any rights therein. **We** may provide the information at any time and from time to time, on, prior to or after any actual or potential **Transfer**; and

18.5.2 unless the terms of the **Transfer** state otherwise, the person to whom **we** transfer all or some of **our** rights under the **Mortgage Documents** will be able as **Transferee** to exercise the relevant transferred rights and powers that **we** could exercise before the **Transfer;** including, without limitation, the right to change the **Tariff of Mortgage Charges** and the setting of variable interest rates (if any) that may be different than those charged or set by **us** (or any previous **Transferee**).

18.6 **Your** rights and obligations under the **Mortgage Documents** are personal to **you** and may not be transferred to anyone else.

19. OTHER RIGHTS

19.1 So far as **you** can (but only until the time when the **Total Debt** is fully paid,):

19.1.1 to the extent that any of the **Other Rights** that **you** have, or may be entitled to have, are not effectively charged to **us** under the **Mortgage Deed**, **you** declare and agree that **you** hold the **Other Rights** on trust for **us** with full title guarantee as further continuing security for the payment and discharge of all the **Total Debt**;

19.1.2 **you** agree that **you** will hold all **Other Rights** on **our** behalf; and

19.1.3 **you** appoint **us** and any **Receiver** 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 execute any document or do any anything which **you** are required to do under these **Conditions** and the **Mortgage;**

(d) 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.

19.2 Upon **our** request, **you** will promptly sign a document assigning the **Other Rights** absolutely to **us** with full title guarantee as further continuing security for the payment and discharge of all the **Total Debt**. That document will be prepared by **us** and will, unless **we** indicate otherwise, incorporate these **Conditions**.

19.3 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**.

20. COSTS AND FEES

20.1 **We** are entitled under these **Conditions** to recover from **you** any **Costs** incurred by **us**:

20.1.1 **you** must pay them to **us** when **we** ask **you** to do so in the written notice **we** give **you**;

20.1.2 **you** must pay them to **us** in full; and

20.1.3 if **you** do not pay them to **us** within a reasonable time of **us** requesting **you** to do so, they will be added to the **Total Debt** and **Interest** may be charged on them from the date **we** asked **you** to make payment.

20.2 **Costs** means all reasonable fees, costs and expenses which **we** incur in connection with the **Mortgage** including but not limited to those incurred in**:**

20.2.1 relation to the creation of the **Mortgage**, including without limitation **our Legal Adviser's** or **Title Insurer**'s costs and disbursements;

20.2.2 recovering all or part of the **Total Debt**, including without limitation calculating and recovering any money in arrears under the **Mortgage**;

20.2.3 bringing or defending legal proceedings relating to the **Total Debt**, the **Property** or any other security for the **Total Debt** (this applies whether or not **you** are a party to the proceedings);

20.2.4 complying with a remediation notice in respect of the **Property** served on **you** or **us** under the Environmental Protection Act 1990 unless **we** knowingly caused or allowed the **Property** to become contaminated when in possession as mortgagee;

20.2.5 protecting, preserving or enforcing any security for the **Total Debt**;

20.2.6 providing **our** consent or approval as required under these **Conditions**;

20.2.7 insuring the **Property** in accordance with these **Conditions**;

20.2.8 remedying any breach by **you** of any of **your** obligations under the **Mortgage** including **your** obligations to repair or insure the **Property**;

20.2.9 exercising any of the rights or powers given to **us** by statute or under these **Conditions**;

20.2.10 complying with any request **you** make to **us** (including without limitation a request to supply or copy documents or deeds); and

20.2.11 discharging the **Mortgage** and releasing the **Property** and/or other assets from **our** security.

20.3 **We** will tell **you** about **our** current fees and costs in **our Tariff of Mortgage Charges**.

20.4 **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:

20.4.1 to proportionately reflect legitimate changes in the costs (including tax) **we** incur in providing the service, or carrying out the function, to which the fee relates;

20.4.2 to meet relevant regulatory requirements; or

20.4.3 to reflect new (or changes to) any statements or codes of practice designed to enhance consumer protection.

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

20.5 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:

20.5.1 by letter; and

20.5.2 by sending **you** a copy of **our** revised **Tariff of Mortgage Charges**.

20.6 A change which abolishes a fee, or reduces the amount of an existing fee, may be introduced with immediate effect and **we** will tell **you** about the change by letter and by sending **you** a copy of **our** revised **Tariff of Mortgage Charges** as soon as practicable after the change is made.

20.7 **Interest** will be charged on fees from the date they fall due.

21. BUY-TO-LET MORTGAGES

21.1 This **Condition 21** will only apply if **your Mortgage Offer** states that **you** have a **Buy-to-Let Mortgage**.

21.2 For the purpose of this **Condition 21**, a reference to 'tenant' or 'tenants' shall be deemed to include a 'contract holder' or 'contract holders' under an **Occupation Contract** to the extent applicable.

21.3 **You** must let the **Property** (including any **Residential Unit**) on a tenancy agreement to an acceptable tenant, who is capable of paying the rent when it falls due, within three (3) **Months** of the **Completion Date** of the **Loan** and neither **you** nor any member of **your Household** may occupy the **Property**. Each time the **Property** ceases to be let, **you** will re-let the **Property** on a tenancy agreement to an acceptable tenant, as soon as possible.

21.4 If the **Property** is in Wales, **You** must let it on an **Occupation Contract** to an acceptable tenant, who is capable of paying the rent when it falls due. Each time the **Property** ceases to be let, **you** will re-let the **Property** on an **Occupation Contract** to an acceptable tenant as soon as possible.

21.5 Any agreement to let the **Property** must comply with the following:

21.5.1 if the **Property** is in England:

(a) any tenancy of the **Property** created before 1 March 1997 must be an **Assured Shorthold Tenancy** and be for a term of not less than six (6) **Months** (**your Legal Adviser** must produce to **us** or to **our Legal Adviser** valid notices served under Section 20 of the Housing Act 1988 before the tenancy was created together with a copy of the tenancy agreement);

(b) any tenancy of the **Property** created after 28 February 1997 must comply with the Housing Act 1988 (as amended by the Housing Act 1996) as an **Assured Shorthold Tenancy**; or

(c) be a common law tenancy agreement (i.e. where the letting is to a company, a holiday letting permitted by the **Mortgage Offer** or the rent is more than £100,000 per year);

(d) the tenancies referred to in (a) and (b) above will be converted into periodic tenancies as provided for by the Renters' Rights Act 2025 and in accordance with the transitional provisions put in place by that Act;

(e) any tenancy of the Property (which is not a common law tenancy) created after the relevant sections of the Renters' Rights Act 2025 comes into force shall be a **Periodic Tenancy**.

21.5.2 if the **Property** is in Wales:

(a) any tenancy of the **Property** created before 1 December 2022 must comply with the Renting Homes (Wales) Act 2016 as a converted **Occupation Contract** and prior to this date must have been an **Assured Shorthold Tenancy**;

(b) any tenancy of the **Property** created after 1 December 2022 must comply with the Renting Homes (Wales) Act 2016 as an **Occupation Contract**; or

be a common law tenancy agreement (i.e. where the letting is to a company, a holiday letting permitted by the Mortgage Offer or the rent is more than £100,000 per year);

(c) where the letting is by way of an **Occupation Contract you** must ensure that the written statement of the **Occupation Contract** is served on the tenant within the required timeframe; and

(d) **You** must ensure that **you** are registered and licenced under the Rent Smart Wales regime;

21.5.3 except where the **Property** is being used as a holiday let, **you** must produce evidence to **our Legal Adviser**, before buying the **Property**, that, as applicable, all provisions of Part 1 of the Landlord and Tenant Act 1987, the Housing Act 1988, the Tenant Fees Act 2019, tenancies of the Renting Homes Wales Act 2016, the Renting Homes (Fees Etc) (Wales) Act 2019, the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022, the Immigration Act 2014, the Renters' Rights Act 2025 and such other **Planning and Housing Acts** applicable to a tenancy agreement or **Occupation Contract** as **we** may reasonably specify, have been complied with by the seller or **you** as appropriate;

21.5.4 the letting of the **Property** must be for residential purposes only and the letting must require use as a single residential property unless the **Mortgage Offer** expressly permits tenancies of separate\Residential Units and/or use as a holiday letting;

21.5.5 the letting must not confer any security of tenure on the tenant(s) beyond the end of the contractual term of the tenancy agreement or **Occupation Contract** and the tenancy agreement or **Occupation Contract** must prohibit sub-letting or the granting of a sub-**Occupation Contract**;

21.5.6 any tenancy agreement **or Occupation Contract**, entered into before the coming into force of the Renters' Rights Act 2025, must not be for a term of more than twelve (12) **Months**;

21.5.7 satisfactory references about ability to pay the rent and character must be obtained for each proposed tenant and must be made available when **we** ask for them;

21.5.8 any tenancy agreement or **Occupation Contract** must (1) be in a form normally used for **Assured Shorthold Tenancies, Periodic Tenancies** or residential common law tenancies (or holiday lets, if permitted by the **Mortgage Offer**) as the case may be; and (2) contain no terms which can adversely affect **our** interest as mortgagee;

21.5.9 where the tenancy agreement is an **Assured Shorthold Tenancy** or a **Periodic Tenancy** it must include a condition that the tenancy can be terminated under Ground 2 of Schedule 2 in the Housing Act 1988 (and **you** must comply with notification requirements under the Housing Act 1988 necessary for the exercise of such right);

21.5.10 where the tenancy is an **Assured Shorthold Tenancy** or a **Periodic Tenancy** any deposit must be held by and in accordance with the rules of a body approved by the applicable governmental entity in the United Kingdom pursuant to the requirements of the Housing Act 2004, Localism Act 2011 and the Deregulation Act 2015. **You** must ensure that all statutory requirements are complied with in respect of any deposit and **you** must comply with the terms of the relevant tenancy deposit scheme;

21.5.11 **you** must comply with the Tenant Fees Act 2019 in respect of any tenancy;

21.5.12 **you** must ensure that the right to rent requirements of the Immigration Act 2014 are complied with in respect of any tenant or permitted occupier throughout any tenancy;

21.5.13 **you** must comply with **your** obligations to provide information or notices to tenants under any **Planning and Housing Acts** applicable to the letting of the **Property**, including (but not limited to) the Housing Act 1988 (as amended by the Housing Act 1996), the Housing Act 2004, the Deregulation Act 2015, the Assured Shorthold Tenancy Notices and Prescribed Requirements (England) Regulations 2015 as applicable;

21.5.14 where the **Property** (or part of it) is a **House of Multiple Occupation you** must:

(a) produce evidence to **our Legal Adviser**, before buying the **Property**, that a valid **HMO Licence** is in force for the current configuration of the **Property** and that all conditions of the **HMO Licence** have been complied with;

(b) on the **Completion Date you** must apply to the local authority for a **HMO Licence** in **your** own name;

(c) **you** must comply with any conditions of any **HMO Licence** issued by the local authority;

(d) **you** must maintain an **HMO Licence** for the **Property** (or relevant part of it) by re-applying for a new **HMO Licence** prior to expiry of each **HMO Licence**;

(e) **you** must ensure that **you** are able to demonstrate to the local authority that **you** are a ‘fit and proper person’ to hold an **HMO Licence**;

(f) **you** must ensure that the proposed management arrangements for the **Property** are satisfactory to the local authority; and

(g) **you** must ensure that no banning order is made that would cause the local authority to refuse to issue an **HMO Licence** to **you**; and

21.5.15 **you** must ensure that **you** are able to evidence compliance with fire safety, gas safety, electrical and health and safety regulations to the local authority.

21.6 The following are unacceptable as tenants for the **Property**:

21.6.1 **you** or **your** family members or **Household** or a **Guarantor** or a **Guarantor**'s **Household**;

21.6.2 multiple tenancies or **Occupation Contracts** (including for the avoidance of doubt **Houses of Multiple Occupation** unless expressly permitted by **us**);

21.6.3 **your** employee; and

21.6.4 people who have claimed or could claim diplomatic immunity.

21.7 Other than as permitted in this **Condition 21**, **you** must not:

21.7.1 lease, rent sub-let or agree to lease, rent or sub-let the **Property** or any part of it (whether by a tenancy agreement, **Occupation Contract**, lease or otherwise) (and any right **you** have under the Law of Property Act 1925 to grant leases is amended accordingly); or

21.7.2 share or part with possession of the **Property** or allow other adults (aged 17 or over) to live in the **Property** or allow them to acquire any right or interest in the **Property** or the right to occupy it.

21.8 **You** must do whatever is legally necessary to ensure that **your** tenants carry out their obligations under the tenancy agreement or **Occupation Contract**.

21.9 **You** must fully and punctually comply with **your** obligations under the tenancy agreement or **Occupation Contract**, and **you** must not extend or end the lease or tenancy or **Occupation Contract** or agree to any of the terms being changed in a way that is contrary to the requirements set out in these **Conditions**, unless **you** have **our** prior written consent.

21.10 **You** must hold, maintain and comply with the requirements of all licences, registrations or other authorisations necessary relating to the letting of the **Property** in the manner agreed under any **Planning and Housing Acts**.

21.11 If the **Property** is subject to the selective licensing scheme laid down by Part 3 of the Housing Act 2004 **you** must have and maintain a satisfactory licence under the selective licensing scheme in relation to the **Property** throughout the **Mortgage Term**.

21.12 **You** must comply with all statutory, legal or regulatory requirements in force from time to time with respect to the **Property** and/or **your** letting of it in the manner agreed.

22. INFORMATION ABOUT YOU AND YOUR MORTGAGE ACCOUNT

22.1 Without prejudice to the declaration in, or provided in connection with, any **Mortgage** application, by entering into the **Mortgage Deed**, **you** consent to **us** passing on any information or documents held by **us** or provided by **you** in relation to **your** application for any **Loan**, the **Mortgage**, the **Mortgage Documents**, the **Property** and any related security held by **us** or the conduct of **your Mortgage** to:

22.1.1 any actual or proposed **Transferee** under **Condition 18**;

22.1.2 any actual or proposed provider of funds for any **Loan** or any person involved with such actual or proposed provision;

22.1.3 any party with whom **we** or **our** agents have, or are considering entering into, a contractual agreement in relation to the **Mortgage**;

22.1.4 credit reference and rating agencies;

22.1.5 fraud prevention data sharing schemes and databases or other fraud prevention agencies and systems;

22.1.6 any other party who it may be necessary to inform in connection with any contemplated litigation against **you** or professionals employed in relation to the **Mortgage**;

22.1.7 any of **our** subsidiary, holding, or associated companies or agents;

22.1.8 any professional advisors of any persons referred to in paragraphs 22.1.1 to 22.1.7 above; and

22.1.9 any other person **we** are required or permitted to provide such information to by law.

22.2 If **you** instruct a **Legal Adviser**, **you** allow them to tell **us** about anything they know or learn about **you** or **your** affairs which may be relevant to **our** decision to lend to **you**. This applies to any information, whether learnt before or while acting for **you** on the **Mortgage**.

23. WHAT TO DO IF YOU ARE HAVING TROUBLE MAKING YOUR MORTGAGE PAYMENTS

23.1 If **you** are having, or think that **you** may have, problems making **your Monthly Payments** please contact **us** immediately to discuss **your** options.

24. NOTICES

24.1 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 by second class post (or if **we** choose by first class post or by private delivery).

24.2 If **we** send a notice in the post, **you** are deemed to have received it three (3) **Business Days** after **we** have posted it.

24.3 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.

24.4 **You** must promptly provide **us** with an updated address which **we** can use to contact **you** in the event **you** change **your** registered address, whether as a result of **us** taking possession of the **Property** or otherwise.

24.5 If **you** wish to contact **us** regarding **your Mortgage** please refer to **our** website or **your** most recent **Mortgage** statement for **our** contact details.

25. COMPLAINTS

25.1 If **you** wish to make a complaint, please contact **us** by phone or in writing please refer to **our** website or **your** most recent **Mortgage** statement for **our** contact details.

25.2 If **you** are not satisfied with the outcome of, or how **we** handle, **your** complaint, **you** may, subject to being eligible, be able to refer it to the Financial Ombudsman Service (Website: www.financial-ombudsman.org.uk Phone: 0800 023 4657 Address: Financial Ombudsman Service, Exchange Tower, London E14 9SR).

26. LEGISLATION

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

27. APPLICABLE LAW AND JURISDICTION

27.1 The **Mortgage** and any non-contractual obligations arising out of or in connection with it, is governed by English law and **you** submit to the exclusive jurisdiction of the Courts of England and Wales.

28. CHANGES TO TERMS AND CONDITIONS

28.1 **We** may change the terms and conditions applying to **your Mortgage** in a manner that **we** reasonably consider is not to **your** disadvantage:

28.1.1 to respond proportionately to:

(a) a change in the law, regulation or codes of practice; and/or

(b) a recommendation, requirement or decision by a court, ombudsman, regulator or equivalent body; and/or

28.1.2 to reflect changes in the manner in which **we** manage (or the systems **we** use to manage) mortgages and/or related services**.**

28.2 Unless the change is to ensure compliance with applicable law or regulation (in which case **we** may make it immediately), **we** will give **you** at least one (1) **Month's** written notice of any change under this **Condition 28**.

29. NO RIGHT TO SET-OFF

29.1 **You** must pay all sums that **you** owe to **us** totally, free and clear without any set-off, counterclaim, deduction or withholding of any kind, save as may be required by law.