

# Mortgage conditions

(Eighth edition)

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This booklet and the **General Conditions Booklet** together contain the **Conditions** which apply to your **Mortgage**. The **Conditions** explain what your obligations are and what happens if you do not meet them.

They are important documents. If you have any questions before your **Mortgage** starts, your solicitor or conveyancer will help you. If you have questions after your **Mortgage** starts, contact us.

When you sign the **Mortgage deed** you are bound by the **Conditions**.

## 1 Interpretation

1.1 In these **Conditions** and in the **Mortgage deed** certain words have a special meaning. These are explained below. In this booklet they are shown in bold print, to remind you to look for their meanings in this section.

**"Capital"** means the amount of money we have agreed to lend you including any amounts added to that amount in accordance with the **Conditions**.

**"Conditions"** means the mortgage conditions contained in this booklet and the general conditions contained in the General Conditions Booklet (and **"Condition"** means one of them).

**"General Conditions Booklet"** means the general conditions booklet given to you before your Mortgage starts.

**"Guarantor"** means any person who has agreed to guarantee that you will meet your obligations under the **Mortgage**. The **Guarantor** will also include anyone who takes over the legal rights and duties. This includes their personal representatives if they die.

**"Interest rate"** means the interest rate or rates we charge you from time to time. It is explained in your **Offer**. We may be able to change it. Your **Offer** and the **Conditions** explain when the interest rate can change.

**"Monthly mortgage payment"** means the amount you must pay to us every month, during the **Repayment** period. For a repayment mortgage this means the amount you pay each month for interest on your loan(s) and towards repaying the loan(s). For an interest-only mortgage this means the amount you pay each month for interest on your loan(s). It does not include any other amounts you pay us, for example, insurance premiums. We can change the **Monthly mortgage payment**. We explain when it can change in your **Offer** and the **Conditions**.

**"Monthly payment"** means the total amount **you** must pay to us in a month. This includes the **Monthly mortgage payment** and any other amount (such as an insurance premium) which you must pay us under the **Mortgage**.

**"Mortgage"** means the agreement between **you** and **us**. It is made up of:

- the **Mortgage deed**
- the **Conditions** and
- your **Offer**.

**"Mortgage deed"** means the document which gives us rights over the **Property**. It gives us security for the **Whole debt**. If you have other loans with us, it also gives us security for amounts you owe us under those other loans.

**"Offer"** means your offer which has the parts of the agreement that are specific to you. It includes the amount of money you are borrowing and the type of mortgage you have. It includes details of the **Interest rate**. We will make you an offer before we give you the first loan. We may make other offers later. We will do this if we lend you more money or make changes to the loan.

**"Property"** means the property described in the **Mortgage deed** and provided to us as security for the loan. It includes any part of it and any buildings on it now or in the future.

**"Repayment period"** means the period explained in your **Offer** for repayment of the money we lend you.

**"Standard variable rate"** Your **Offer** will explain if the **Interest rate** which applies to your **Mortgage** now or in the future is our **Standard variable rate**. We set it and can decide when it goes up or down. We explain when it can change in the **General Conditions Booklet**. It is not linked to Bank of England base rate. You can find more details of our **Standard variable rate** on our website.

**"Variable rate"** means one of the following:

- **Standard variable rate** and
- any other variable interest rate applicable to the **Mortgage**

Your **Offer** will explain the **Interest rate** which applies to your **Mortgage**. We may change the amount of the relevant rate from time to time. We explain this in your **Offer** and **General Conditions Booklet**.

**"We", "us" and "our"** means Nottingham Building Society. It includes anyone who takes over any of our legal rights under the **Mortgage**. If we transfer our rights under the **Mortgage** to someone else, it also means the person we transfer them to.

**"Whole debt"** means the total amount of money you owe to us under the **Mortgage** at any particular time. It includes unpaid charges, fees or other costs, any unpaid interest and any arrears which your **Offer** says will be added to the loan.

**"You" and "your"** means the person(s) named as the Borrower in the **Mortgage deed**. It includes anyone (other than the **Guarantor** in their capacity as guarantor) who takes over the legal rights and duties of any such person. This might be, for example, the personal representatives of the borrower if they die.

1.2 If you are borrowing with someone else, the **Mortgage** applies to all of you together and each of you separately. You are each responsible for paying back the **Whole debt**. You are responsible as a pair and as a group. If the relationship between you ends, you must continue to do what the agreement asks of you. This includes making the **Monthly mortgage payments** and **Monthly payments**.

1.3 The headings in the **Conditions** are to help you to use and understand them. They do not form part of our legal agreement with you.

1.4 Where we refer to an Act of Parliament this includes any statutory instrument made under it. This also includes any changes which have been or are in the future made to any of them.

1.5 If we say in the **Conditions** that you need our consent:

- we will give you our consent unless it is not reasonable for **us** to do so and
- we may add conditions that you will have to keep as a condition of giving our consent. Any conditions we apply will be reasonable. For example, this may include a change to the **Interest rate**.

1.6 If we cannot enforce any part of the **Conditions**, this will not affect our right to enforce the rest of it.

1.7 We may choose not to exercise any of our rights fully or delay it at any time. This will not mean that we cannot enforce these rights later. It will not change our right to enforce the rest of the agreement with you.

## 2 Your promises to pay

- 2.1 You will repay to us, with interest, all money we lend **you** and any sums which becomes payable by you to us in accordance with your **Mortgage**.
- 2.2 You will pay us the **Monthly payment** each month. This will be paid on the payment date set out in your **Offer**.
- 2.3 Your **Monthly payments** include a **Monthly mortgage payment**. Your **Monthly mortgage payment** may be made up of interest only (**we** call this interest-only) or interest and **Capital** (**we** call this a repayment mortgage). Your **Offer** will explain whether your **Mortgage** is interest-only or a repayment mortgage.
- 2.3.1 with a repayment mortgage, the **Monthly mortgage payment** pays off the original loan and any further advances by the end of the **Repayment period**. This means your **Monthly mortgage payment** pays the interest and some of the original loan amount (the **Capital**).
- 2.3.2 with an interest-only mortgage, the **Monthly mortgage payment** pays off only the interest **we** charge. This includes interest on arrears. If your loan is interest-only, **you** will still owe the original loan amount at the end of the **Repayment period**. If **you** do not repay it, the **Property** will be at risk. It may have to be sold to repay the **Whole debt**.
- 2.4 We calculate the **Monthly mortgage payment** at the start of the **Mortgage**. This is based on the amount we lend you, the **Interest rate** and the **Repayment period** (where relevant). We may change the **Monthly mortgage payment** from time to time. We will only do this where the **Conditions** allow us to. We will let you know in writing if the **Monthly payment** changes.
- 2.5 We can apply your **Monthly payments** in any order we consider appropriate. Usually, your **Monthly payments** will be used:
- 2.5.1 first to pay interest;
- 2.5.2 for repayment mortgages only, to an amount of Capital (which, when added to the interest, makes up the **Monthly mortgage payment**);
- 2.5.3 then, if there is any money left over this will be used to reduce the size of the **Whole debt**. No payment will be treated as a repayment of Capital until all due interest has been paid.

## 3 The interest we charge

- 3.1 We will charge interest on the **Whole Debt** at the **Interest Rate** in accordance with the **Conditions**. The **General Conditions Booklet** sets out more detail on how we charge interest. Your **Offer** will explain which **Interest Rate** applies to your **Mortgage**.
- 3.2 We may change the **Interest rate** by varying the **Variable rate**. Your **Offer** and the **General Conditions Booklet** explains when and how we can do this.
- 3.3 We may add any unpaid interest to your account at any time. This will increase the **Whole debt**. This means interest will then become payable on the unpaid interest at the **Interest rate**. We may agree with you to increase the **Monthly payment** to cover these amounts, but we won't automatically do this.
- 3.4 We will continue to charge you interest at the **Interest rate**, both:
- 3.4.1 before any Court judgment; and
- 3.4.2 after any Court judgment for you to pay some or all the money you owe us.

## 4 Other amounts payable and when we start charging interest

- 4.1 You may have to make other payments to us in accordance with the **Mortgage** terms. These are in addition to your **Monthly payments** and may arise if you do not make a payment on time. We will contact you to ask

you whether you want to make the payment as a one off payment or whether you want us to add the amount to your loan account.

- 4.2 We explain below when we will start charging interest on amounts due from you. Interest on these amounts will be charged at the **Interest rate**:
- 4.2.1 fees, charges and expenses (for example; if we pay your ground rent or service charge) – we start charging interest 7 days after we have asked you to pay the fee, charge or expense and you haven't paid it;
- 4.2.2 interest (including interest on any arrears and interest on interest we've already charged you) – from the day after we add it to your loan account.

## 5 Your Offer

Your **Mortgage** is made up of your **Offer**, the **Mortgage Deed** and the **Conditions**. By signing the **Mortgage Deed** you agree to be bound by your **Offer**. If the **Conditions** are different to the terms in your **Offer**, then your **Offer** conditions will apply.

## 6 Repairs to the Property

- 6.1 You must put the **Property** in good repair and condition and keep it that way until the **Mortgage** is fully paid off. This includes replacing any item which is beyond economic repair and rebuilding where necessary. You must do this at your own expense. Any building work must be properly carried out and comply with all necessary consents, laws and regulations.
- 6.2 We have the right to come on the **Property** to inspect it. We will let you know in advance if we are going to do this unless it is an emergency. If you do not keep the **Property** in good repair and condition, we may come on to the **Property** to do any work you have not done. If we do, we will charge you for the cost of the work.
- 6.3 If we enter the **Property** under this Condition, we do so without becoming liable as mortgagee in possession.

## 7 Property insurance

- 7.1 You must make sure that the **Property** is insured by buildings insurance until you pay off the **Whole Debt**.
- 7.2 The following terms apply to your insurance of the **Property**:
- 7.2.1 you must make sure that all buildings which are (now or in the future) part of the **Property** are insured so that if something bad happens to it, the money from a claim will pay for it to be rebuilt.
- 7.2.2 you must:
- keep the insurance in force;
  - pay all insurance premiums on time;
  - not do anything that means the insurer would refuse to pay claims;
  - not do anything that makes it more difficult or expensive to insure the **Property**;
  - send us the insurance policy (including any endorsements or other changes to it) or proof that the premiums have been paid if we ask you; and
  - tell us straight away if any significant damage happens to the **Property** and you need to make a claim.
- 7.3 If the **Property** is leasehold and the landlord is responsible for insurance of the buildings, you must make sure they are insuring it. You must ensure:
- 7.3.1 you comply with the requirements of the lease;

- 7.3.2 you do your best to make sure the landlord (or management company) complies with the requirements of the lease. You must tell us straightaway if you become aware that they are not complying;
- 7.3.3 you obtain our approval of the identity of the insurer and the terms and amount of the insurance cover;
- 7.3.4 produce to us:
- every such insurance policy (including any endorsements or other changes to it) if we ask you; and
  - any proof of payment of premiums we ask you for.
- 7.4 whoever arranges the **Property** insurance:
- 7.4.1 we have the right (which we will use reasonably) to negotiate with the insurers (and, in the case of a lease, with the landlord or management company) and to settle any insurance claims;
- 7.4.2 the money from a claim must be used to repair or rebuild the **Property** unless we tell you it must be used to repay the **Whole debt**. We will only do this if we reasonably think that using the money to repair or rebuild the **Property** won't put it in good enough condition for the **Property's** value to cover the **Whole debt**;
- 7.4.3 if you receive any money under the policy, you will hold it on trust for us. This means you will hold the money on our behalf and pay it to us straightaway if we ask you to;
- 7.4.4 we will keep any commission or other benefit paid or allowed to us.
- 7.5 If the **Property** isn't insured or the insurance doesn't meet our requirements above, we may arrange insurance. This insurance may cover our interest in the **Property**, or yours, or both. If we insure the **Property**, we will add the cost to the loan and charge interest on it. We will keep any commission we get if we arrange the insurance.

## 8 Other promises

You promise us for as long as the **Whole debt** has not been fully paid off:

- 8.1 Unless you have a buy to let mortgage, you must live in the Property as your only or main home;
- 8.2 you will carry out and complete any building and repair work on the **Property**;
- 8.2.1 to keep it in good repair; and
- 8.2.2 that is required by law or regulation.
- 8.3 Not to destroy or reduce the value the **Property** or any part of it;
- 8.4 Not to change the use of the **Property**;
- 8.5 Make sure any building work on the **Property** complies with all necessary consents and regulations;
- 8.6 Keep to any restrictions, obligations, laws and regulations that apply to the **Property**;
- 8.7 Make any payments you need to make as the owner or person living in the **Property**. This includes paying ground rent and service charges;
- 8.8 Comply with all other promises and obligations affecting the **Property** or its use (for example, obligations under the title deeds or laws about planning).
- 8.9 If the **Property** is leasehold, to:
- 8.9.1 keep to the terms of the lease. If you're told that you've broken the terms, you must let us know as soon as you can;
- 8.9.2 do all you can to make sure others keep to the terms of the lease – for example, any management company;
- 8.9.3 let us have any notice from your landlord that ends the lease.

- 8.10 If the **Property** is leasehold, you will send us as a copy of any notice you give or receive within 7 days of giving or receiving it:
- 8.10.1 to extend the lease;
- 8.10.2 to vary the terms of the lease;
- 8.10.3 to acquire any interest in the freehold of the **Property**; or indicating the landlord or any other party's (including you) intention to bring the lease to an end.
- 8.11 If you acquire a new or increased interest in the **Property** you must tell us as soon as possible. For example, if you extend the lease or the freehold of the **Property**. If you do you will execute a mortgage deed in our favour over the new or increased interest. You will need to hand over to us any deeds or documents relevant to it. This new mortgage will be in such form as we reasonably require. You are responsible for any costs and expenses for doing this.
- 8.12 You will not, unless we give our written consent (as we do if you have a buy to let mortgage, to the extent specified in your **Offer**)
- let the **Property** or agree to do so;
  - part with or share possession of the **Property**;
  - allow any tenant to extend the period of their lease, bring it to an early end or change its terms.
- 8.13 You will not, unless we give our written consent:
- sell the **Property** for less than the **Whole debt**;
  - in any other way give away or dispose of part of the **Property**;
  - do anything which may reduce the value of the **Property**. For example, consenting to a right of way over the **Property**; or
  - demolish, alter or extend the **Property**.

## 9 The promises to us of the Guarantor (if any)

- 9.1 This Condition 9 applies where your **Offer** requires you to provide a **Guarantor** for your **Mortgage**.
- 9.2 The **Guarantor** promises us as follows:
- to comply with all your promises and obligations in your place in relation to both the payment of money and any other obligations under the **Mortgage**, if you fail to keep to them; and
  - to make good to us any loss or damage we may suffer as a result of your failure to comply with your promises and obligations.
- 9.3 As between us and the **Guarantor**, we treat the **Guarantor** as if they had borrowed, and were personally liable to us for, all such money (and interest on it) secured under the **Mortgage**. This means the **Guarantor** will be equally as responsible as you for all your obligations to us under the **Mortgage**.
- 9.4 This does not affect any right of the **Guarantor** against you.
- 9.5 Any action we take against the **Guarantor** does not affect your liability to us.
- 9.6 The **Guarantor** will be fully liable, even if any of the following happens:
- we give you any extra time to pay any money you owe us;
  - we agree not to demand any money from you before a particular time;
  - any other arrangement is made between you and us. For example, a change to the **Repayment period**, the basis for calculating the **Monthly payments** or the use of the **Property**;

9.7 The **Mortgage deed** will usually state the limit on the **Guarantor's** liability. This amount will not include any interest and expenses which apply in addition to the limit and the **Guarantor** is also liable for. This means the **Guarantor** will not be required to pay more than the stated limit set out in the **Mortgage Deed** plus interest and expenses.

9.8 Any amount we recover from the **Guarantor** will not exceed:

- the limit stated in the **Mortgage deed** or any other limit which we agree in writing with the **Guarantor** in the future;
- interest (at the **Interest rate**) on the amount we claim from the **Guarantor**, from the date of our claim to the date of payment; and
- our expenses in enforcing our rights against the **Guarantor**.

9.9 If we do claim a recovery from the **Guarantor**, unless the **Guarantor** agrees in writing otherwise, we will not include:

- any future loan under an agreement we make with you after the date of the **Mortgage deed**; or
- any other money which becomes payable, or liability which arises, under an agreement we make with you after the date of the **Mortgage deed**.

9.10 The **Guarantor** understands that they will remain fully liable, even if any of the following happens:

- we give you any extra time to pay any money;
- we agree not to demand any money from you before a particular time;
- any other arrangement is made between you and us. For example, a change to the **Repayment period**, the basis for calculating the **Monthly payments** or the use of the **Property**;
- we do not or choose not to force you to keep to your promises; or
- there is any other act, omission or circumstance which would have terminated the **Guarantor's** liability if the **Guarantor** had not been a principal debtor.

9.11 Where there is more than one **Guarantor**, the **Guarantor's** obligations apply to them together and to each of them alone. For example, we can claim money owed to us by the **Guarantor** from any one of them or from all of them.

9.12 The **Guarantor** will remain fully liable until the **Whole debt** has been repaid. We will release the **Guarantor** from the **Guarantor's** promises to us if you are released from your obligations following a transfer of the **Mortgage** in accordance with Condition 18, or if:

- we are requested to do so; and
- we decide that, in accordance with our normal lending criteria and the circumstances then relating to the **Mortgage**, we no longer need the **Guarantor's** promises,

We may charge a fee for considering the request where it is reasonable to do so.

## 10 General provisions: road and other agreements

10.1 You assign to us, as far as you are able to, your rights to the **Property**. This means that you transfer them to us. When you repay all the money you owe us, we will transfer the **Property** rights back to you. Property rights may include:

- 10.1.1 any agreement with, or promise by, anybody else in connection with the **Property**. For example, this could include builders' promises or warranties, obligations relating to road making, guarantees for treatment to the fabric of the **Property** and certificates specified in the conditions referred to in your **Offer**;
- 10.1.2 all money which for any reason is paid, or may become payable, to you in respect of anything which reduces the value of the **Property** (for example, because of mining subsidence or other damage).

10.2 Where any money is received under Condition 10.1.2, we have the right (which we will exercise reasonably) to decide how it shall be applied. We could apply it towards payment of the **Whole debt**. Or we could apply it to restoring or improving the **Property**. If we apply it to restoring or improving the **Property**, we will spend it in accordance with our requirements.

## 11 What happens if you do not keep to the Conditions

11.1 If you do not keep to your obligations under the **Conditions**, you will be in default. You may also be in default if an event happens such as a bankruptcy order is made against you. This is explained more in Condition 11.2.3.

11.2 If any of the following things happens, we may notify you in writing that the **Whole debt** is immediately repayable:

11.2.1 If you do not pay any money you owe us under the **Mortgage** and the total amount overdue (however it arises, and including, for example, any money we have added to your mortgage account because you have not paid it):

- equals or exceeds twice your normal monthly payment (as defined below) at the time we send you a reminder that it is overdue; and
- has not been paid in full within 7 days of us sending you such reminder;

and in this Condition 11.2 "your normal monthly payment" means the **Monthly payment** which you are obliged to pay in the calendar month in which we send you such reminder, but it does not include any amount which was overdue at the end of the previous calendar month;

11.2.2 If you fail to keep to any of your other obligations under these **Conditions**, and:

- it is reasonable for us to think that the breach is serious; and
- you do not put it right within such time as we require by written notice to you;

11.2.3 If you (or any of you):

- have a bankruptcy order made against you. If this happens it means you are insolvent. It's a court order. It allows the property to be sold. The proceeds are paid to the people or organisations you owe money to;
- enter into a voluntary arrangement with anyone you owe money to. This is a formal arrangement that is supervised by an insolvency practitioner. Under the arrangement, the people or organisations you owe money to agree to accept only part of the money or late payment;
- apply to a court for an interim order. This is a form of court order. It gives you temporary protection from claims by people or organisations you owe money to. It gives you time to put together an offer so that you can make formal arrangements to pay. The arrangement is supervised by an insolvency practitioner;
- have any of your money or property taken to recover a debt; or
- (being a company) go into liquidation or have a receiver or administrative receiver appointed;

11.2.4 If:

- the **Property** is at any time subject to a compulsory purchase order. This order allows a public authority to acquire land owned by you such as the **Property** without your consent; or
- the **Property** is at any time subject to an order under laws about planning, requiring any alteration or removal of the buildings, or the discontinuance of its use, and as a result the value of the **Property** will be significantly decreased;

11.2.5 If any of the things listed in Condition 11.2 happens to a **Guarantor** (reading Condition



11.2 as if references to “you” and “your” were to the **Guarantor** or, where there is more than one **Guarantor**, any of them).

- I 1.3 If you do not pay any money you owe us under the **Mortgage**, or fail to keep to any of your other obligations under the **Mortgage**, you may need to pay fees and/or other charges. For example, an arrears fee.
- I 1.4 We will decide the amount of such fees and/or charges. These fees and/or charges cover our internal costs as well as any costs we have to pay other people.
- I 1.5 We explain our most common charges in our Mortgage Fees and Charges Leaflet. We call these standard charges. We will send you a copy of our Mortgage Fees and Charges Leaflet each year. You can also find a copy on our website and ask us for a copy at any time.
- I 1.6 You must pay any fees and/or charges as soon as we ask you to. If you do not pay them we can charge interest on them.
- I 1.7 We can change the amount of our fees and/or charges at any time. We explain in the **General Conditions Booklet** when we can do this.

## 12 Our powers

- I 2.1 At any time after the **Whole debt** has become immediately payable under Condition 11, we may (provided we obtain any necessary court order):
- make you leave the **Property** (if you have not already done so) so that we can take possession of it. If you do not leave the **Property** you will be considered to be occupying it wrongly;
  - sell the **Property**. We can do this even if we do not have possession. We will use the money from the sale to pay the **Whole debt**;
  - appoint a receiver. A receiver takes full responsibility for managing the **Property**. They can sell the **Property** or collect rent on it. We can appoint the receiver and we can remove them and replace them. We agree the terms on which they are appointed. We explain more about this below;
  - rent out the **Property** and collect any rents due (whether under a new or existing tenancy); and/or
  - use the other powers given to mortgagees under the Law of Property Act 1925 but extended as mentioned in this Condition 12.
- I 2.2 We may use our legal power to sell the **Property**:
- even if we have not taken possession of it; and
  - without the restrictions in section 103 of the Law of Property Act 1925. These laws restrict when we can use our rights to sell the **Property**. The law allows us to not apply these restrictions.
- I 2.3 If we use our power to sell the **Property**, we will use the sale proceeds to pay the **Whole debt**. This includes all the costs and expenses which we incur in association with the sale. This also includes all the money which would have been payable by you if you had paid us the **Whole debt** at the date of receipt of the sale proceeds. If the sale proceeds are not enough to cover these amounts, you will still owe us the difference. We will continue to charge interest on it until you pay us.
- I 2.4 **Receivers**  
A receiver is someone we can appoint to manage the **Property** and to sell it or rent it out. This includes receiving rent or other income.
- I 2.4.1 If you do not pay the money you owe us after it becomes due immediately, we may appoint a receiver. We may remove the receiver at any time and appoint another. A receiver acts for you and not us. This means you are responsible for paying their costs as well as for what they do. We will

ensure that the amount they are paid is reasonable.

- I 2.4.2 We may appoint a receiver to deal with the whole of the **Property** or any part of it. We may appoint more than one receiver. If we do, each receiver will be able to use their powers independently of each other.
- I 2.4.3 Receivers can choose to use and pay other people to carry out work on the **Property**. They can repossess and sell the **Property** on terms they think fit. They are under an obligation to obtain the best price they can reasonably get for the **Property**.
- I 2.4.4 Receivers will have all the rights that we have and some extra rights. These extra rights are provided for under the Law of Property Act 1925. These include the right:
- to let the **Property** on any reasonable terms (but without any other restrictions on the nature, terms and length of the lease, or on the rent due);
  - to allow anyone who holds a lease of the **Property** to surrender the lease on any reasonable terms;
  - to agree to any reasonable variation, extension or renewal of any lease under which the **Property** is let;
  - to act as manager of the **Property**;
  - to insure the **Property**;
  - to complete any unfinished buildings on the **Property**;
  - if the **Property** is a leasehold:
    - to agree any reasonable variation, extension or renewal of the lease;
    - to exercise any right which you have to renew or extend the lease, or to acquire the freehold an interest in it;
- I 2.4.5 We may exclude or limit any of the powers in this Condition at the time when we appoint the receiver or later.
- I 2.4.6 The receiver will use any money they receive from exercising their powers in the following order:
- firstly, to meet the costs connected with their appointment and with the exercise of their powers;
  - secondly, to pay their remuneration;
  - thirdly, to reduce or pay off the **Whole debt**;
- and they will pay any balance to any person who has a mortgage over the **Property**, or otherwise to you;
- I 2.4.7 You agree to cover the cost of any liabilities the receiver incurs as a result of:
- anything they do, or fail to do, while acting as receiver;
  - anything done by anyone they employ to help them carry out any of their functions as receiver.
- I 2.4.8 If:
- we are entitled at any time to use our powers to sell the **Property** mentioned in Condition 12.1; or
  - a receiver is appointed to do any of the things mentioned in Condition 12.4.4; and
  - (in either case) you have an interest in any land which adjoins the **Property** or is near it (whether or not that land is mortgaged to us);
  - we or the receiver may exercise rights over that land which you would have power to grant to a buyer of the Property and which are needed to allow the Property to be used or developed in

a reasonable way.

- 12.5 If we or a receiver sell or lease the **Property** at a time when you have an interest in any land which adjoins the **Property** or is near it (whether or not that land is mortgaged to us) we or the receiver may give to the buyer or tenant of the **Property** any rights over that land which:
- 12.5.1 the buyer or tenant asks for;
  - 12.5.2 you had the power to give; and
  - 12.5.3 are needed for the **Property** to be used or developed in a reasonable way or would arise under general law on a transfer or lease of the **Property** by you.

12.6 Any rights under this Condition 12.7 can only be exercised if they are created within 80 years of the date of the **Mortgage deed**.

- 12.7 You appoint us and any receiver we appoint to be your attorney. This means we can legally act on your behalf. This allows us to do anything needed to use, protect and enforce our rights under the **Mortgage** in your name and on your behalf. This includes the following things in your name and on your behalf:
- 12.7.1 exercise the powers referred to in Condition 12.1
  - 12.7.2 exercise or enforce any of the agreements or promises referred to in Condition 10.1 and receive any money which becomes payable under Condition 10.1;
  - 12.7.3 give any notice and take any proceedings which are needed to exercise or enforce any of the agreements or promises referred to in Condition 10.1;
  - 12.7.4 take any action under Condition 13;
  - 12.7.5 transfer, to a purchaser of the **Property**, any shares or other membership rights which you hold in a management company or residents' society by virtue of owning the **Property** or exercise any votes attached to any such shares; and
  - 12.7.6 sign any document and do any other thing which is needed to allow any of our rights and powers under the **Mortgage** to be effectively exercised.

You cannot cancel this appointment until the **Whole debt** is paid off in full.

12.8 Our rights under this Condition are in addition to any other rights which we may have.

## 13 Things left at the Property

- 13.1 If we take possession of the **Property**, you will be responsible for removing all goods. If you have not removed all goods (including animals) left on the **Property** within 14 days we may remove, store, sell or dispose of, or rehome such goods. We will do this at your expense. If we do this, we are not responsible for any loss or damage as long as we acted reasonably.
- 13.2 We will use money from the sale of the goods to first, pay these expenses. Then to pay any balance to you. We do not need to make any payment to you until all the goods have been sold or have been removed by you.

## 14 Paying back your loan early

- 14.1 You can pay back your loan at any time before the end of the **Repayment period**. This is known as an early repayment. If you wish to make an early repayment you may repay the whole or part of the **Whole debt** before the time agreed. You may make an early repayment (subject to Condition 14.3), and you will then pay us:
- the **Whole debt** or the relevant part of it (including any extra payments that you have agreed to, as part of your **Offer**);
  - any other of our costs and expenses connected with such repayment. For example, an early repayment charge may apply. Your **Offer** will explain what early repayment charges apply. We may apply other charges where you repay the loan. These will be explained in our Mortgage Fees and Charges Leaflet; and
  - if all the **Whole debt** is repaid, a reasonable fee for redeeming the **Mortgage** as we require.

14.2 Unless **Condition** 14.3 applies, when you repay all money due under the **Mortgage**, the **Mortgage** will be redeemed (so that the **Property** becomes free from our **Mortgage**).

14.3 The restriction on our right to consolidate which is contained in section 93 of the Law of Property Act 1925 does not apply to the **Mortgage**. This means that unless we give written consent you will be required to repay all mortgages you have with us before we release the security given to us by the **Mortgage deed**. We will only require this where we believe it is necessary to ensure we recover the sums due under those mortgages.

## 15 Our power to make payments

- 15.1 We may from time to time make payments on your behalf for the following things. We will only do this if we think it is reasonable to do so. These will be done at your expense. These costs are not covered in our Mortgage Fees and Charges Leaflet. We will let you know if you need to pay any costs. These will be added to the amount you owe us. We will charge interest on a daily basis from the date we add them. It is important you pay the costs to avoid paying extra interest:
- 15.5.2 maintenance, repair, alteration and improvement of the **Property** (including construction and other work to private roads or sewers) where appropriate to ensure that the value of our security is protected
  - 15.5.3 compliance with any notice of dilapidations or similar notice affecting the **Property**;
  - 15.5.4 outgoing, including ground rent or other periodic rents or charges on the **Property**, and any tax rate or assessment affecting the **Property**;
  - 15.5.5 the enforcement, protection or improvement of our security under the **Mortgage** and our rights under or incidental to the **Mortgage** or the collection of money under the **Mortgage** (including all legal and other costs and expenses).

## 16 Costs and expenses

- 16.1 You must pay us in full all costs and expenses we properly pay under the **Mortgage**:
- 16.1.1 to protect or enforce our rights;
  - 16.1.2 in connection with any proceedings brought by you or any other person;
  - 16.1.3 arising from your default; or
  - 16.1.4 responding to any request you make.

16.2 Our rights under this Condition are in addition to any other rights which we may have.

## 17 Our right to transfer the Whole debt

- 17.1 We can at any time during the **Mortgage** transfer, charge or otherwise dispose of the benefit of all or some of our interests in the **Whole debt** and the **Mortgage** and any other security we hold in connection with the **Mortgage** to any other person (known as a third party). We can do this without reference to you and without obtaining your specific consent.
- 17.2 If we do this, you agree we can share information we hold about you and your **Mortgage** and any documents or information concerning you with the third party.
- 17.3 You agree that any such person can rely on the truth of the information you provided to us in your mortgage application and supporting documents.
- 17.4 You agree that, if the **Mortgage** is transferred in this way, the **Mortgage** will no longer qualify you to be a member of the **Society**.
- 17.5 We will tell you at the time of the transfer how the third party will handle overdue payments and how they set their mortgage interest rates.

## 18 Transfer by you of the Mortgage

- 18.1 With our consent, you can sell or otherwise transfer the **Property** subject to the **Mortgage**.
- 18.2 If we consent, we may impose a condition that you must pay off part of the **Whole debt**. We may also require the purchaser or transferee to pay us a fee. This would be used to cover the cost of any expenses required to release you from the **Mortgage** documents.
- 18.3 From the date of the transfer, the purchaser or transferee will take over all **your** obligations under the **Mortgage**, and we may (at your cost) release you from these obligations, but only if:
- the deed by which the **Property** has been transferred and any other documents as we may require have first been approved by us (or on our behalf), free of cost to us; and
  - if required such documents have been deposited with us.

## 19 Joint borrowers

- 19.1 We may discuss with and take instructions for changes to the **Mortgage** from any one of you. This is even if the changes are temporary or permanent in nature. Such changes will be binding on all of you. We will only do so this, if in our reasonable opinion, you will not be adversely affected in any significant way.
- 19.2 We will send all correspondence regarding your **Mortgage** to you jointly at the **Property** address unless you request us otherwise. Where you request us to send correspondence to an alternative address(es) you are responsible for keeping us informed of any changes.

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

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