

# Information you need to know about your mortgage



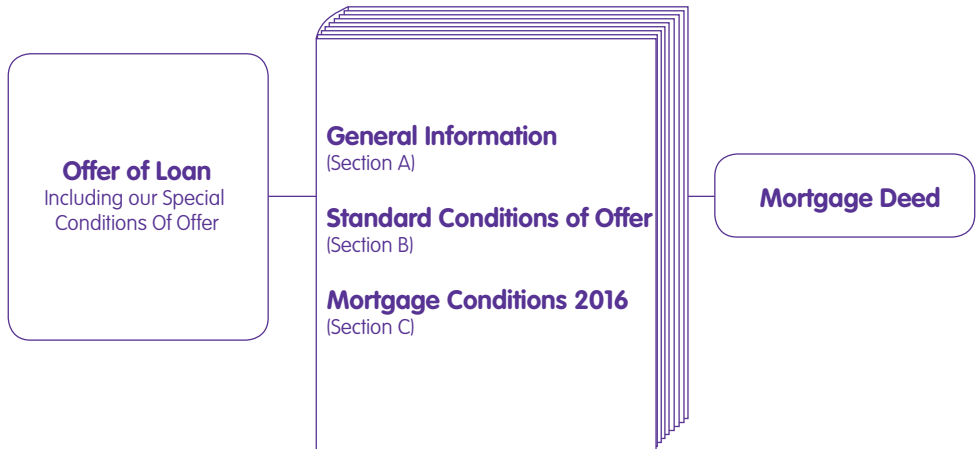
# Contents

This booklet is divided into 3 parts. It explains the conditions that apply and the agreement that you make when you take out a mortgage with us:

- Section A. General Information – this is important information to help you understand your obligations
- Section B. Standard Conditions of Offer – these set out the standard terms on which your Offer of Loan is made
- Section C. Mortgage Conditions 2016 – these contain details of your obligations along with our rights under the mortgage

The meanings of key words and phrases used throughout this booklet are defined at the end of Section C of this booklet.

## This Booklet



You will have been provided with additional documents as part of your application for the Loan and you should read this booklet in conjunction with those documents (pre contractual information, the Mortgage Deed, Offer of Loan and our Tariff of Charges). You can also obtain copies of our Rules on request. If you are unsure you should ask your legal adviser to explain the nature and effect of all the documents.

The Standard Conditions of Offer (contained in Section B of this booklet) and the Mortgage Conditions 2016 (contained in Section C of this booklet) apply to every Offer of Loan made by us except to the extent that they are varied by any express provision contained in your Offer of Loan or in the Special Conditions of Offer.

The Rules contain various provisions as to how the West Bromwich Building Society is managed, including requirements relating to Membership of the West Bromwich Building Society and the holding of general meetings. If you are not already a Member of West Bromwich Building Society, and if you are an individual as set out in the Rules, you will be admitted to Membership of the West Bromwich Building Society when you sign the Mortgage Deed. Our Members are bound by the Rules and any change to our Rules has to be approved by Members through the passing of a resolution at a general meeting. If your Membership arises solely out of your Mortgage with us then a transfer of the Mortgage by us to a third party may, if we decide, result in you ceasing to be a Member of the West Bromwich Building Society.

# Section A – General Information

## Your mortgage contract

Your agreement with us for your mortgage is made up of your Offer of Loan (including the Special Conditions of Offer), the Standard Conditions of Offer, the Mortgage Conditions 2016, the Mortgage Deed, our Tariff of Charges and our Rules.

If there is any inconsistency between the terms and conditions in any of the documents the following order of priority will apply:

- 1) The Offer of Loan (including the Special Conditions of Offer).
- 2) Our Tariff of Charges.
- 3) The Standard Conditions of Offer.
- 4) The Mortgage Conditions 2016.
- 5) The Mortgage Deed.
- 6) The Rules.

It is important that you have read and understood these documents before you sign the Offer of Loan. You may also receive other documents in relation to your Loan, via your legal adviser, which again it is important that you have read and understood before you sign them.

## Affordability

When you take a Loan with us, it is important that you can make the Payments as well as meeting any other financial commitments that you have. You should not enter into this Loan or any other financial obligations if by doing so it will be difficult for you to meet those Payments as well as maintaining your normal monthly outgoings. You should be particularly aware that **YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.**

## Life cover

We strongly recommend that you have adequate life cover to ensure that in the event of your death during the Mortgage Term, the Loan is repaid.

## What to do if you find it difficult to make your monthly repayments

If your financial circumstances change, perhaps because you have become ill and are unable to work or because you have been made redundant you will still need to make your monthly Payments. Make sure you can afford your Loan if your income falls. We are sympathetic in these circumstances, however, you must advise us immediately if you feel you may have difficulty in meeting your Payments as the sooner you can let us know, the easier it will be for us to discuss this with you and help you find a solution.

We have a team of agents who are trained to give assistance in helping you to resolve your problems in paying your Loan. We are also able to put you in touch with a team of field agents who are able to go through a full assessment of your circumstances with you. For your convenience, they may be able to set up an appointment to visit you in your home to discuss any issues with you. Please note you may be charged fees for this service as set out in our Tariff of Charges. We can also ask you to pay our reasonable administration costs, as set out in our Tariff of Charges, and which may be added to the Loan.

### **Should you fail to keep up the Payments on your Mortgage, your home may be repossessed.**

If you fail to meet your monthly Payments and fall into arrears and the Property is occupied by you, we will first apply to the court for an order giving us possession of the Property, this is called a Possession Order. If the court makes a Possession Order, we can take steps to evict you (and anyone else who is occupying the Property with or without our agreement) from the Property. We can then sell the Property to recover the Loan.

In the unfortunate event that we do have to take legal action to recover any part of the Loan from you, solicitors' fees and any disbursements which have been incurred in this respect will be added to your Loan.

The Money Advice Service has published an information sheet on mortgage arrears entitled 'Mortgage arrears or problems paying your mortgage'. You can get a free copy of this information sheet from [moneyadviceservice.org.uk](http://moneyadviceservice.org.uk) or by calling 0300 500 5000.

## Mortgage portability scheme

### What is a portable Mortgage product?

A portable mortgage product is one which you can ask to transfer from your current Property to a new mortgage on a different Property. You may wish to do this, for example, if you move home.

Not all of our mortgage products are portable. Your Offer of Loan will set out whether your mortgage product is portable. If your mortgage product is portable you will need to also meet certain requirements at the time you come to transfer the mortgage to the new Property. Also you will not be able to transfer any part of your mortgage product to a different Property within the first 6 months from completing on your original mortgage product.

The criteria you need to meet if you want to transfer your mortgage product are set out in more detail below and include meeting our lending criteria at the time of your application to transfer your mortgage product. **Please note, our lending criteria may have changed since you took out your original mortgage product.**

You must redeem your original Loan with us on the same day as you take out your new Loan with us.

### How much can I transfer?

Where you have a portable mortgage product and you wish to purchase a different Property and transfer the original mortgage product to that Property, the maximum you can apply to transfer is the lower of:

- the amount of the outstanding balance on your original portable mortgage product; and
- the amount of the original portable mortgage product advance.

On the transfer of the mortgage product you will retain the same product features you enjoyed on your original mortgage product (including the interest rate terms, Early Repayment Charges and remaining term of the original portable mortgage product). If you transfer less than the outstanding balance on the original portable mortgage product, you may need to pay an Early Repayment Charge on the difference. The details of any Early Repayment Charges will be set out in your original Offer of Loan.

### Other Points to note on portability

Your Offer of Loan will clearly say whether your original mortgage product is portable under the heading 'Other rights of the borrower'.

- The lending criteria in force at the date of your application to transfer your portable mortgage product will apply. This means that you will need to complete a new Loan application form. We will carry out our usual application enquiries e.g. credit checks, income checks (including affordability checks) and any other checks that we deem to be reasonably necessary. We will also obtain a valuation of the new Property. We may not offer you a new Loan if your personal circumstances have changed and you no longer meet our lending criteria, our lending criteria may have altered and you no longer meet them, we reasonably deem that the new Property is not suitable security for the new Loan or you have breached in a significant way any of the existing terms and conditions of your original Loan.
- An Early Repayment Charge may be payable if you redeem your Loan and we are unable to transfer your original portable mortgage product to the new Property or the part of the original Loan to be transferred to the mortgage on the new Property is less than the total amount outstanding on your original portable mortgage product. If your new Loan is less than the amount required to repay your original portable mortgage product at the time you repay it, and you repay your original portable mortgage product and take out a new Loan with us at the same time, then the difference in value of the Loans may be subject to an Early Repayment Charge. Please see your original Offer of Loan for details.
- You may have already paid an arrangement fee for the original portable mortgage product, so no further arrangement fees are charged on the portion of the original Loan that you transfer, however the normal fees e.g. the valuation fee and any fees (including arrangement fees) relating to any additional amount you borrow will be payable by you.
- You will not be able to extend the portable mortgage product term.
- Any cashback or incentive (such as free insurance) that applied to the original portable mortgage product will not be provided again.

If your new Loan does not start at the same time as the redemption of your original Loan, then you will not be able to take advantage of the portability scheme.

**Unless your original Offer of Loan states otherwise, you will not be able to transfer your original mortgage product if, at the time of your application to transfer the product, we have ceased to offer mortgage products of the same type as the one you wish to transfer or the purpose you are using the new property for is something we no longer allow on new Loans. For example, if you took out a 100% Loan to Value product, Buy to Let product, or a Non Status or Shared Ownership product and we have ceased to offer these types of mortgage products to new borrowers at the time you apply for a new Loan then you will not be able to transfer your product to the new property.**

**We recommend that you take independent professional, financial and legal advice regarding this portability option before deciding whether to exercise it.**

## **Fees assisted legal service for re-mortgages**

### **Moving your Loan to us results in legal costs.**

Under the 'Fees Assisted' service, the solicitors or licensed conveyancers instructed by us will act only for us and are unable to give you legal, financial or tax advice on your Loan and have no liability or responsibility to you for the service provided.

If you select a 'Fees Assisted' product, we will normally pay the standard legal fees that you would ordinarily pay your solicitor to carry out work for us in connection with transferring your Loan to us. However there are some items that would usually also be paid to your solicitor that are not covered and we do not pay for. These include:

- mining or any other unusual search fees;
- fees for first registration of the title at Land Registry;
- dealing with a change of name on the title deeds or a transfer of equity;
- dealing with a second or subsequent charge;
- any additional legal work needed to put your title deeds in order, etc;
- search fees where the amount of your Loan exceeds £500,000 (other than where the Property is in Scotland); and
- for leasehold cases, any fees you must pay to the freeholder or management company and any fee for carrying out a company search or obtaining company documentation in respect of the management company.

The conveyancer we choose will be acting for us, so if you decide not to use the conveyancer selected by us and/or take independent legal advice, this will not be covered under our 'Fees Assisted' service, and you will be responsible for any legal fees you incur. If you or your conveyancer request money to be sent by telegraphic transfer when your Loan completes, we charge a fee in accordance with our Tariff of Charges. We will normally deduct this fee from the money we send to your solicitor.

## **Additional warning to any Guarantor(s)**

By giving a guarantee, the Guarantor(s) may become liable instead of, or in addition to the Borrower(s). Unless otherwise stated in any Deed of Guarantee or the Mortgage Deed that we ask the Guarantor(s) to sign, the Guarantor(s) liability will be limited to the amount of the Loan we make to the Borrower(s) in accordance with the terms of the Offer of Loan together with interest and costs. Before signing the Deed of Guarantee or the Mortgage Deed the Guarantor(s) should take independent legal advice on the nature and extent of their obligations and the potential consequences. If we sell the Property and the proceeds of sale are insufficient to pay the amount outstanding under the Loan (which is known as 'the shortfall') then the Guarantor(s) will continue to be liable for the shortfall under the terms of the Deed of Guarantee or the Mortgage Deed together with interest on the shortfall at the rate of interest applicable to the Loan from completion of the sale of the Property by us until the Loan is repaid in full.

## Service

We aim to provide an efficient service of the highest quality. If you feel that our standard of service falls below that which you would expect, please contact your nearest branch or our Head Office or you can contact our Customer Relations team on 0345 241 0607 or 0121 500 4706.

Alternatively you can register a formal complaint by writing to us at:

Customer Relations  
the West Brom  
2 Providence Place  
West Bromwich  
B70 8AF

If your complaint is not dealt with to your satisfaction, you may then take it to the Financial Ombudsman Service.

The Financial Ombudsman Service provides a free and independent service for consumers and can be contacted at:

The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR.

Phone: 0300 123 9123/0800 023 4567

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

## Important notice

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority to carry on mortgage business and are committed to helping the FCA fulfil their objectives.

Our Firm Reference Number is 104877. You can find out more about the FCA and, in particular, its role in regulating the mortgage industry at [www.fca.org.uk](http://www.fca.org.uk). You should note that not all mortgages are subject to the FCA's rules and guidance: for example most Buy-to-Let Mortgages are excluded. If your Offer of Loan states (under the heading 'Supervisor') that 'This lender is supervised by the Financial Conduct Authority - [www.fca.org.uk](http://www.fca.org.uk)', then your Mortgage is subject to the rules and guidance issued by the FCA.

# Section B – Standard Conditions of Offer

These Standard Conditions of Offer apply to every Offer of Loan made by us except to the extent that they are varied by any express provision contained in your Offer of Loan or in the Special Conditions of Offer.

## 1. Terms of offer

This Offer of Loan replaces any previous offers made by us in respect of the same Property.

Please compare the offer document included within your Offer of Loan with any pre contractual information that may have been given to you. Let us know immediately if your (or any Guarantor's) circumstances change, as this may affect the Offer of Loan.

We have made the Offer of Loan on the basis that the information in your Loan application is true, complete and accurate and that before we make the Loan:

- Your (or any Guarantor's) circumstances will not change in a way which means that had we been aware of the change in circumstances at the time the Offer of Loan was made to you we would not have made the Offer of Loan;
- You grant us a first fixed legal charge, Mortgage or first standard security over the legal and, where appropriate, any other interests in the Property as security for the Loan;
- You will disclose to us any connection or relationship you may have with the sellers of the Property;
- Where applicable your Guarantor will execute all the relevant documentation we require.

Your Offer of Loan, under the heading 'Interest rate and other costs', will state whether or not our solicitors' legal costs are refundable, whether or not the Loan proceeds to completion.

## 2. Withdrawal of offer

The Offer of Loan is valid for 6 months, it will be automatically withdrawn after 6 months unless you or your solicitor requests an extension of Offer and we agree to extend the period of the Offer of Loan in writing.

We may withdraw the Offer of Loan or change its terms if any of the following things happen:

- There has been a material change in your circumstances since the date you applied for the Mortgage which is likely to have a material impact on your ability to afford the loan and:
  - we were not aware of the change before we provided the offer to you; and
  - had we been aware of the change we would not have provided the offer to you or would have provided the offer to you for a lower amount.

Examples of the situations when we may withdraw an offer for these reasons include:

- Your income falls or your outgoings increase. For example, you lose your job, there is a reduction in your working hours or you apply for further borrowing;
- You are subject to personal insolvency proceedings such as you have a petition presented for your bankruptcy;
- You separate from your partner or commence divorce proceedings;
- There is a significant change in the state of your health which has an impact on your ability to afford the loan.
- We discover that you have intentionally:
  - provided us with untrue, inaccurate or incomplete information as part of your application for the loan and we have used this information in deciding whether to provide the offer to you; or
  - withheld information which we have requested from you as part of your application for the loan and had we been aware of the relevant information we would not have provided the offer to you.
- If we reasonably suspect you are involved in any criminal or fraudulent activity or you are convicted of a serious criminal offence and had we been aware of the criminal or fraudulent activity or offence we would not have provided the offer to you or would have provided the offer to you for a lower amount.
- As part of the steps we undertake prior to transferring the amount of the loan to you or your solicitor or licensed conveyancer we require your solicitor or licensed conveyancer:
  - to carry out certain checks in relation to the condition, value or title to the Property; and



- to confirm that any adult occupiers in the Property who are not also borrowers have agreed to postpone any interest they have in the Property to us,

once these checks are completed, your solicitor or licensed conveyancer will confirm this to us and provide us with a certificate of title document which confirms who owns the Property and details of the transaction. We may withdraw this offer if your solicitor or licensed conveyancer tells us that it cannot provide us with a clear certificate of title; any adult occupier has not agreed to postpone their interest or the solicitor or licensed conveyancer cannot comply with our instructions in relation to the Property.

- There is a change to the condition, value or title to the Property or we revalue the Property after the date you applied for the Mortgage and such change or the revaluation has a material impact on the suitability of the Property as security for the loan.
- We are no longer permitted to lend the money to you due to our regulator removing or restricting our permission to lend.

If, for any reason, you no longer need the Loan, you should tell us and your legal representative immediately.

### 3. Occupation of the property

You must obtain vacant possession of the whole of the Property on completion of the Loan. You must personally reside in the Property and must not give up or share occupation of the Property or create any letting unless we have previously given our written consent for example your Offer of Loan clearly states this is a Buy-to-Let Mortgage. If you have a Buy-to-Let Mortgage and there is a tenant in the Property at completion you must have vacant possession except for occupation by that tenant.

**You must move into the Property within one month of completion and occupy the Property as your main residence during the Mortgage Term unless you have a Buy-to-Let Mortgage.**

If you have a Buy-to-Let Mortgage or you move out of your Property for any reason you must keep us informed of any change of address.

Unless the Property is in Scotland, if it is or will be occupied by a person (other than you) who will reach the age of 17 years on or before completion of the Loan and that person is not a party to the Mortgage Deed, and it is your intention for that person to remain in occupation of the Property, the Offer of Loan is made subject to a completed Deed of Consent being obtained prior to execution of the Mortgage Deed and the completed Deed of Consent being in the possession of our solicitors prior to completion of the Loan. Under the terms of the Deed of Consent the relevant person will agree to postpone any interest in the Property to our interests.

If you have a spouse or civil partner who does not own the Property along with you each such person must consent to the Mortgage in our favour making any occupancy rights which he or she has in relation to the Property subject to our rights under the Mortgage Deed. If no-one has such occupancy rights and your Property is located in Scotland you must sign a declaration to confirm this.

### 4. Purchase price/source of funds

The purchase price must be as stated in the Offer of Loan.

The purchase price must not in any way be reduced (for example, because the seller of the Property is providing a cashback or some other advantage or because fixtures and fittings or furnishings are included or a reduction is negotiated) and no part of the purchase price may be left outstanding on completion of the purchase. Our prior written agreement must be obtained if there is an arrangement like this.

Unless otherwise agreed by us in writing, you must pay the balance of the purchase price, over and above the amount of the Loan, from your own money and must not borrow the balance from any other party. You must advise us immediately if the balance is being gifted to you or you are borrowing the balance from any other party. The Offer of Loan is given on the basis that you fund the balance from your own money.

If you are using money from the sale of another property to finance the purchase of the Property, you must complete the sale of that property before the Loan on the Property is completed.

### 5. Existing loans

You must repay any existing secured loan with us or with any other lender on this Property on or before the completion of this Loan, unless the Special Conditions of Offer state that you can keep the existing secured loan.

## 6. Valuation report

We may use alternative mortgage valuation methods which may include the use of limited external appraisals, automated valuations or use computer based data to establish the value of the Property. **If you are shown a copy of the valuer's report it is provided to you as a courtesy only and you should not rely on it for any reason whatsoever.**

The mortgage valuation is prepared for our information only. In making the Offer of Loan, we do not confirm or guarantee:

- the value or condition of the Property;
- that the title of the Property is acceptable;
- that the price you are paying for the Property is reasonable; or
- if you have selected a Buy-to-Let Loan that any indication of rental income is achievable.

Please note that the report may not necessarily refer to all items that require attention.

**We strongly recommend that you obtain a more detailed report on the condition and value of the Property, based on a full inspection, before you decide to purchase the Property.** We will only accept a valuation carried out by a valuer instructed by us from our approved list of valuers/surveyors. Unless otherwise agreed, you will be responsible for the cost of the valuation. We may require a further valuation at your expense, if the Loan is not completed within 3 months of the previous valuation being carried out. We may also undertake additional valuations at our expense. We may withdraw or amend the Offer of Loan if any additional valuation identifies matters in relation to the Property which has a material impact on the suitability of the Property as security for the Loan.

## 7. Repairs

The valuer's report may indicate that certain repairs have to be carried out at the Property. If the Offer of Loan specifies a time period, the work must be carried out within that period. If the Offer of Loan does not specify a particular time period within which these repairs must be carried out, they must be carried out within 6 months of completion of the Loan.

If the Offer of Loan states that we will hold back some of the money (a retention) on completion until work specified in the Offer of Loan is carried out and completed, we will not release the retention amount until the work has been completed to our reasonable satisfaction and we have approved the Certification of Completed Works, please note that we may have to re-inspect the Property at this stage.

Please note, we may withdraw our offer to advance or release any funds retained in respect of outstanding repairs and/or works if those repairs and/or works are not completed within the agreed time frame or within 6 months of completion of the Loan, whichever period is longer. We will give you 1 month's notice in writing if we intend to exercise this right.

Unless we have agreed in writing to do something different, we will send you the retained money once we are satisfied that the work has been carried out. If a re-inspection is required, the valuer's re-inspection fee may at our option be taken off the amount of the retained money that is released to you, or added to your account. Alternatively you may pay us the fee by cash, cheque or debit card.

If a 'specialist report' is required, you will be responsible for the costs of obtaining the report. You must choose an approved and certified specialist to prepare the specialist report. Specialist reports should be addressed to you. Any recommendations set out in a specialist report must be carried out.

A guarantee certificate must be obtained for the work. Please read this guarantee certificate carefully, paying special regard to any exclusions.

## 8. High percentage loans

If your Offer of Loan refers to a 'Higher Lending Charge', this will be because you are borrowing a high percentage of the estimated value or purchase price of the Property (whichever is the lower). This is a one-off fee and cannot be refunded. Any Higher Lending Charge that you are required to pay will be detailed in your Offer of Loan under the heading 'Interest rate and other costs'. Your Offer of Loan will also state whether or not the Higher Lending Charge can be added to your Loan. If the Higher Lending Charge is added to your Loan this will increase the amount that you borrow and will increase your Payments and you will pay interest on the amount of the charge. If the Higher Lending Charge is not added to your Loan, the amount of the Higher Lending Charge will be deducted from the amount of money that we send to your solicitor. You should allow for this when setting your budget.

**We may use this Higher Lending Charge to obtain additional security to protect our interest in the form of mortgage indemnity insurance, which will only be for our benefit. In the event that we have to repossess your Property and sell it for less than the amount you owe to us under the Loan, we will be able to claim under the policy. Any claim we make on the policy will not affect your obligation to repay in full all the money you owe us under the Loan.**

## 9. Insurance

- **You must maintain a suitable buildings Insurance Policy at your expense for the duration of the Mortgage Term.**
- Unless otherwise stated in your Offer of Loan under the heading 'Insurance', you may arrange your own buildings Insurance Policy.
- If you insure the Property other than through us, we may charge an administration fee for ensuring that any Policy you arrange is adequate. If we charge a fee for this, it is set out in our Tariff of Charges and may be varied in the future. In addition to our administration fee you will need to pay our reasonable costs associated with maintaining contingency insurance in the event your policy fails to fully protect our interests, to cover our costs of making sure that the buildings Insurance Policy meets with our reasonable requirements.
- When buildings insurance or buildings and contents insurance is arranged through us, unless otherwise stated on your Offer of Loan, you will be responsible for paying any Insurance Premium direct to the insurer. Where your Offer of Loan states that your insurance or buildings and contents insurance or short term income protection Insurance Premium is included in your monthly Payment and you apply for a further advance, any variation in the Insurance Premium is reflected in the monthly Payment of the original Loan. This means it will be included in the monthly repayment amount relating to the main mortgage, regardless of whether a separate Payment is calculated in relation to the further advance. Where buildings insurance is arranged through us and the Insurance Premium is not included in your monthly Payment you need to ensure that the 'buildings sum insured' is correct at the time of your further advance. Unless otherwise agreed, the buildings insurance will take effect from the date that you become contractually bound to acquire the Property or, if you already own the Property, the date of completion of the Loan.
- In cases where your Offer of Loan states that your Insurance Premium is included in your monthly Payment you will be charged interest on any part of the premium that is outstanding at the end of the interest charging period. This means if your Offer of Loan states that interest is calculated daily you will be charged interest on any Insurance Premium that is still outstanding at the close of business on the last day of any month.
- We recommend that you pay your premiums on time to prevent any interest accruing on the Insurance Premium.

## 10. Payments

- Before you are required to make your first Payment we will send you full details of the repayments you are required to make under your Loan, the amount of the first Payment required and any other relevant information.
- Each year we will send you an annual statement of your account.
- All monthly Payments referred to in your Offer of Loan are, unless otherwise stated, calendar monthly Payments and must, if required by us, be made by direct debit. We must be in receipt of a direct debit mandate before funds are made available to you.
- You will pay interest from the date of advance of the Loan (which may be the date of issue of our cheque or the date of telegraphic transfer of the funds) up to the end of that month. This Payment is due upon the date of legal completion of the Loan. After this, all subsequent monthly Payments are due on the same date of each succeeding month (provided this is a Working Day, or if not the first Working Day thereafter unless that date is after the end of the calendar month in which case the Payment will be taken on the last Working Day of the month) or such other date as may be agreed between you and us.
- **All Payments which comprise or include interest are subject to variation in accordance with the terms of the Mortgage Conditions 2016. If the interest rate increases, your monthly Payment will increase.**
- **In certain limited circumstance we can also change the interest rate on fixed rate loans and on loans which are linked to or track an external reference rate.** Please see Section C Mortgage Conditions 2016 for further details.
- We may also change our method of calculating interest and your monthly Payments. The times when we can do this are set out in our Mortgage Conditions 2016 included in Section C.
- The figures for the rates of interest and monthly Payments appearing in your Offer of Loan may change before completion of the Loan and, if this happens, we will let you know. For example this may happen, if you have selected a variable rate Loan or if the monthly Payments include some form of Insurance Premium (for example buildings insurance), and the rate of interest or the amount of premium or the tax on any Insurance Premium changes after we have issued your Offer of Loan.
- You are responsible for ensuring that you can repay the outstanding Loan in the event of death, illness, or incapacity. We strongly recommend that adequate life cover and critical illness cover is arranged to ensure that the outstanding amount can be repaid if any of these events occur.

- **If your Loan is secured over your home and you do not maintain the regular Payments required under the Loan, then you run the risk of losing your home.**

### **Interest Only Loans**

If you select an Interest Only Loan, any Payment that you make to us will cover only interest, **and not the capital borrowed**. Similarly, if you select a Mixed Loan, part of any Payment that you make to us will cover only interest, and not the capital borrowed.

**It is extremely important to ensure that you have, or will have, the means to repay the Loan (including all capital) at the end of the Mortgage Term. It is your responsibility to ensure that any repayment vehicle is in place from completion and remains in place or is adequately replaced until the end of the Mortgage Term and that it is adequate to repay the capital balance at the end of the Mortgage Term.**

If you have not already made adequate arrangements, we strongly recommend you to take advice from a Financial Adviser who specialises in such matters.

Whatever arrangements you put in place to repay the Loan, you are reminded that it is generally a long term commitment. If you set up an investment plan or life policy in connection with your Loan, it is your responsibility to maintain repayments. You should check the Policy details at least annually and it is also important to check regularly the performance of your investment plan to see whether it is likely to be adequate to repay the capital at the end of the Mortgage Term.

**If you cannot pay the outstanding amount at the end of the Mortgage Term you may either have to sell the Property or we can sell the Property to repay the outstanding Loan.**

If at any time the Loan exceeds 95% of the value of the Property, we may require you to make Payments of both interest and capital in such sums and for such period as we may reasonably require in order to reduce the outstanding Loan below 95% of the value of the Property. We will give you 3 months' written notice if we require these Payments and will undertake an affordability assessment in relation to the increased Payment at the time before we increase your Payments as a result of this condition.

If we reasonably consider that the Loan will not be repaid in full at the end of the Mortgage Term, we may require you to make Payments of both interest and capital in such sums and for such period as we may reasonably require you to make such Payments in order to ensure repayment of the Loan in full at the end of the Mortgage Term. We will give you 3 months' written notice if we require these Payments and will undertake an affordability assessment before we increase your monthly Payments in this way.

**Where you do not make full repayment of the outstanding Loan at the end of the Mortgage Term we may remove any fixed or concessionary interest rate applicable on your Loan (such as a discounted, fixed or tracker rate) and we may instead charge interest at our Standard Variable Rate on the outstanding Loan until repayment is made in full. We will notify you at the time where we change your interest rate to our Standard Variable Rate. Where you do not repay the Loan at the end of the Mortgage Term, you will be in breach of these terms and we may take possession proceedings against you and we may be able to sell the Property to repay the Loan.**

## **11. Overpayments**

There is a minimum normal monthly Payment that you will have to pay every month. In addition to your normal monthly Payments additional payments can be made at any time up to £999 per month. Any payments in excess of your normal monthly Payment will reduce the interest charged on your Loan. This will be clearly set out in your Offer of Loan under the heading 'Flexible features'.

You can also repay all or part of the capital outstanding on your Loan at any time by making capital Overpayments for amounts of £1000 or above. Your Offer of Loan, under the heading 'Flexible features', will specify whether there is any minimum capital repayment that we require. You need to advise us that you have made such a capital Overpayment at the time you make the payment, so that we can recalculate your interest from the date of receipt or reduce the term of your Loan.

Please note in some instances an Early Repayment Charge may become due following a capital Overpayment. Any Early Repayment Charge will be clearly detailed in your Offer of Loan under the heading 'Flexible features'.

## **12. Early Repayment Charges**

In the event that you repay the whole or part of the Loan before the expiry of the Mortgage Term interest will be charged upon the amount repaid up to and including the end of the month of repayment. Some of our mortgage products also charge additional fees and/or interest if the Loan is repaid early in full or part. These fees/charges are clearly detailed in your Offer of Loan under the heading 'Early repayment'.

If your Offer of Loan states that you have selected a portable mortgage product, the Early Repayment Charge may be transferred in full or part if you move home and immediately transfer your existing mortgage product to your new Loan. There are a number of requirements that need to be met if you want to transfer your portable mortgage product and you may have to pay an Early Repayment Charge if the amount of your new Loan is less than your existing Loan.

Please refer to the section 'Mortgage Portability Scheme' in Section A at the front of this booklet.

If you ask us to transfer your mortgage product to another product during the period that an Early Repayment Charge is payable, your Early Repayment Charge will become due at the time of transfer. You will also be liable to pay for any necessary third party fees that may be incurred by us due to the repayment of the Loan e.g. Land Registry fees.

## 13. Interest on the Loan

### Monthly Interest Loans

If your Offer of Loan states that interest is calculated monthly, for the first month it is charged on the amount of the Loan (for the avoidance of doubt this includes any fees included in the amount advanced or added to your initial advance) from (and including) the date of advance of the funds for the Loan up to and including the last day of the month in which funds are advanced. After this, interest is calculated monthly and monthly Payments are due for each full month during the Mortgage Term. We will apply interest to the Loan annually on 31st March. In subsequent years, you may be required to pay any additional sums outstanding at the following 1st April.

### Daily Interest Loans

If your Offer of Loan states that interest is calculated daily it will be charged on the outstanding amount of the Loan from (and including) the date of advance of the funds for the Loan up to and including the last day of the month in which funds are advanced. After this, interest is calculated daily on the outstanding amount of the Loan and Payments are due for each full month during the Mortgage Term. We will apply interest to your Loan account on the last day of each month until the Loan is repaid.

Please note, if you have selected a daily interest tracker product, i.e. your interest rate tracks an external index such as the Bank of England Base Rate, the interest rate will be changed during the tracker period in accordance with your Special Conditions of Offer. We will notify you of any variation in the interest rate in accordance with the Mortgage Conditions 2016. Please see Section C Mortgage Conditions 2016 for details of when we may change the interest rate charged on a tracker rate Loan. We may vary our method of calculating interest and monthly Payments. The times when we can do this are set out in our Mortgage Conditions 2016 included in Section C.

In all cases, interest is charged up to and including the end of the month of repayment.

## 14. Properties built or converted in the last 10 years

If the Property is less than 10 years' old or has been converted in the last 10 years, the construction must have taken place with full planning permission and with local authority supervision and all requisite consents must be in place. It must also have the benefit of:

- a home warranty indemnity insurance scheme acceptable to us (it must have a valid NHBC Certificate or an acceptable alternative). Please note a full list of acceptable schemes can be found in the BSA Mortgage Instructions which can be found at the BSA website: [www.bsa.org.uk](http://www.bsa.org.uk); or
- a certificate from a suitably qualified professional consultant who confirms that he has appropriate experience in the design and/or monitoring of residential buildings. The professional consultant is to certify that:
  - they have supervised the building works (further details of our requirements in this regard can be found in the BSA Mortgage Instructions);
  - the Property generally has been constructed to a satisfactory standard and in general compliance with approved structural drawings and/or building regulations; and
  - they hold professional indemnity insurance to a minimum of £250,000 if employed directly by you or in any other case £500,000 or the value of the Property whichever is greater.

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

- the conversion took place with full building regulation approval;
- you give us a satisfactory report on the structure of the Property (from an RICS qualified building surveyor or a structural engineer);
- our valuer considers the Property is suitable security; and

- the construction has taken place with full planning permission and with local authority supervision and all requisite consents must be in place.

In addition to the requirements above, if the Property is being built or in the process of being converted the construction and completion of:

- any new roads leading from the Property to a public highway;
- any sewers leading from the Property to a public sewer;
- any other essential services (where applicable); and
- a satisfactory agreement for their adoption with the appropriate statutory or other competent authority;

must be in place and in each case must be secured by acceptable bonds adequate to cover due performance of the construction, completion and adoption of such roads, sewers and/or services.

## 15. Mortgage Term

You may request to extend or reduce the Mortgage Term at any time. When we consider your request we will undertake an affordability assessment to ensure you can meet the new repayments.

There may be a charge made for this service. Please refer to our current Tariff of Charges for details of the current fees payable in connection with this service.

## 16. To the applicants generally

### Joint Borrowers

If your Loan is taken out by two or more of you, it will have been made on the basis that the Loan is for the benefit of all account holders. Where a Loan is in joint names the responsibility for repayment of the Loan is joint and several. This means each Borrower is personally liable for the whole Loan. This is important if you experience financial difficulty maintaining your monthly Payments (for example, you may lose your job, become ill or you may have a relationship breakdown). If your circumstances change in the future, or you experience financial difficulties, please contact us as soon as possible so that we can try to help you.

**It is very important that you consider the impact that a change in your circumstances may have on your ability to repay the Loan and have adequate insurances in place where possible.**

If the Loan is not for the benefit of all of you or you are unclear as to whether the Loan is for your benefit then you should contact us immediately by writing to the Mortgage Processing Department, at the address shown in your Offer of Loan. In these circumstances the applicant(s) must obtain independent legal advice from a solicitor.

### Right to Buy

Your solicitor must ensure that the charge in respect of the 'Right to Buy' discount ranks behind our Mortgage.

### Leasehold Properties

Ground rent must be paid up to date prior to completion. Your solicitor must comply with the requirements of the BSA Mortgage Instructions. For the avoidance of doubt we normally only consider accepting absolute leasehold title, but we consider accepting good leasehold title if a suitable indemnity policy is in place.

### Rights of way

Rights of way to and from the Property (including rights of way for vehicles) must not be restricted. The conveyancer must make enquiries and advise us of the replies received. If the Property is served by a private road, the conveyancer must enquire whether you will be liable for repairs and maintenance of it and advise us of the replies received. The conveyancer must also advise us whether there are any plans or agreements for the local authority to adopt the road.

### Deed of Gift

If the Property has been affected by any transaction at an undervalue or a deed of gift within 5 years prior to the completion of this Loan (or the transfer to you is by way of gift or at an undervalue), our solicitors must confirm, prior to completion of the Loan, that we will enjoy the protection given by the Insolvency (No 2) Act 1994 (or Northern Ireland or Scottish equivalent). If this is not possible, we reserve the right to withdraw the Offer of Loan and, before considering whether the Offer of Loan will still stand, we will require:

- A declaration of solvency given by the appropriate person(s);
- A suitable indemnity policy to protect us against any possible loss;
- You will be responsible for the cost of obtaining any necessary declarations of solvency and the cost of any indemnity policy.

## 17. Underpayments, Overpayments, Payment Holidays and the Reservoir

The following provisions apply if your Offer of Loan states that your Loan is a Flexible Loan or an Offset Loan. For all other mortgage products the following provisions will not apply unless expressly agreed otherwise by us.

You may make an Overpayment on any day, whether on a day when a monthly Payment is due or not. Overpayments can not be repaid to you once made and you can not re draw any Overpayments you make.

Overpayments can be made by direct debit, standing order, or by cash or cheque at any branch of the Society.

Where you choose to make an Overpayment by direct debit, you must contact us at least five Working Days prior to the Overpayment to alter your existing direct debit or set up a new direct debit. Where you make an Overpayment, except where the Overpayment is made out of the proceeds of an assigned endowment policy, your usual monthly Payment will not be recalculated and the amount available in your Reservoir will increase by the amount of the Overpayment. If you make an Overpayment out of the proceeds of an assigned endowment policy, your usual monthly Payment will automatically be recalculated although the amount available in your Reservoir will not increase.

On any day when a monthly Payment is due from you, you may (provided we agree in advance) choose to make an Underpayment (including a Payment Holiday which, is an Underpayment equal to the amount of your monthly Payment) provided that the amount of the Underpayment is less than or equal to the amount available at the time in your Reservoir. The amount available in your Reservoir will be reduced by the amount of that Underpayment (at the end of the month in which the Underpayment is made).

At any time when or after an Underpayment or Overpayment has been made, you may request, either in writing or by telephone, that your usual monthly Payment be recalculated to take into account that Underpayment or Overpayment. If you do not contact us to amend your monthly Payment to take into account that Underpayment or Overpayment, you may not repay your Loan within the original Term.

Interest is calculated daily on all Flexible and Offset Loans.

## 18. Offset Share Account/Direct Offset Share Account

The following provisions apply where your Offer of Loan states that your Loan is an Offset Loan.

You must open and maintain a separate Offset Share Account or Direct Offset Share Account with the Society for each Offset Loan and keep it open for as long as any part of your Offset Loan remains outstanding. These provisions and the Society's General Investment Terms and Conditions (referred to as the General Terms) will apply to the Offset Share Account or Direct Offset Share Account (referred to as the Account).

The Account must be held in the same name(s) as the Borrower(s) on the Loan account. You can only have one Account for each Loan.

The minimum investment in an Account is £1.

No interest will be paid on any credit balance held in an Account.

We will provide you with a passbook (Offset Share Account) or transaction statement (Direct Offset Share Account) for the Account and you may make withdrawals from the Account in accordance with the General Terms.

We may repay your investment at any time in accordance with the General Terms. In addition we may at any time close the Account and transfer the balance to another no notice savings account with the Society if:

- you instruct us to do so; or
- the Loan and all other monies secured by the Mortgage have been repaid; or
- the investors in the Account differ at any time from the Borrowers under the Loan; or
- there is any change in the law, HM Revenue & Customs practice or interpretation, the requirements of the Financial Conduct Authority or any other regulator, or there is a decision of any Ombudsman, as a result of which we are required to deduct or account for income tax in respect of any credit balance in the Account or are no longer able to offer Offset Mortgages.

If at any time you do not hold an Account:

- we may transfer your Loan to another of our mortgage products which we reasonably consider is similar to the terms of the Loan excluding the offset provisions; and/or
- you may repay the Loan and all other monies (including any Early Repayment Charge) secured by the Mortgage.

## 19. Family Member Offset Share Account/Direct Offset Share Account

The following provisions apply where your Offer of Loan states that your Loan is a Family Offset Loan.

In addition to the Account which you must open and maintain explained above, any Family Member aged 18 or over can also open an Offset Share Account or Direct Offset Share Account with the Society (referred to as a FM Account) and ask for it to be linked to the Loan account for offsetting purposes.

The General Terms will apply to each FM Account opened by a Family Member together with the Specific Terms and conditions provided to the Family Member when they open the FM Account.

A 'Family Member' means the parent (whether natural, adopted or step, or a person who has accepted parental responsibility for the Borrower as determined by the Society), child (whether natural, adopted or step, or a child for whom the Borrower has accepted parental responsibility as determined by the Society), sibling (natural, adopted or step brother or sister) or grandparent (whether natural, adopted or step) of the Borrower.

No interest will be paid on any credit balance on a FM Account held by a Family Member.

A Family Member may close any FM Account at any time in accordance with the FM Account terms and conditions.

We may also repay a Family Member's investment at any time in accordance with the General Terms.

In addition we may at any time close any FM Account and transfer the balance to another no notice savings account with the Society if:

- the Family Member instructs us to do so; or
- the Loan and all other monies secured by the Mortgage have been repaid; or
- all the investors in the FM Account are no longer Family Members; or
- there is a change in the law, HM Revenue & Customs practice or interpretation, the requirements of the Financial Conduct Authority or any other regulator, or there is a decision of any Ombudsman, as a result of which we are required to deduct or account for income tax in respect of any credit balance in the FM Account or are no longer able to offer Offset Mortgages.

## 20. Offset Loan-interest on the Loan

The Offset Reduction for any day is calculated by determining what interest would be payable on the aggregate balance of your Offset Savings Account and, where applicable, any linked FM Account at close of business on that day if interest were applied to those accounts at the interest applicable to your Loan. Please note, as set out above, interest does not accrue and is not paid on the Offset Savings Account or any linked FM Account. This calculation is done to determine the Offset Reduction only.

Interest on your Loan is calculated on a daily basis. For each day the amount of interest which would otherwise be charged on the Loan account will be reduced by the amount of the Offset Reduction. However the interest for that day can never be less than nil. In other words where the Offset Reduction is greater than the interest which would otherwise be charged on the Loan account, the interest charged on the Loan account will be zero.

**In the month your Mortgage is repaid in full the above provision will not apply and interest will be charged for each day in that month without any Offset Reduction being applied.**

During the calendar month in which the Loan is repaid in full, since no benefit of the Offset Reduction will apply, the requirement to maintain the Account shall be waived and the Borrower shall be permitted to close the Account and withdraw the funds held in the Account in accordance with the General Terms or to transfer to another West Bromwich Building Society investment account available to the Borrower at that time.

Interest is charged on the above basis from and including the date of release of the Loan funds up to and including the last day of that month. After this interest is calculated daily and Payments are due in each full month as provided for in the Daily Interest Loan section above. The Society will apply interest on the Loan on the last day of each month during the Mortgage Term. This means that (except where the Offer of Loan is an offer of further advance) on the date of completion of the Loan you must pay interest on the Loan for the period from the date of release of the Loan funds (which may be the date of issue of the Society's cheque) up to the last day of the same month.



## 21. Buy-to-Let Loans

The following provisions apply where your Offer of Loan states that your Loan is a Buy-to-Let Loan. It is a condition of this Offer of Loan that:

- The Property is let or will be let on either an assured shorthold basis (or in Scotland on a short assured tenancy, or in Northern Ireland on a residential tenancy basis with a term not longer than 12 months) pursuant to the provisions of the Housing Act 1988 (for pre 1996 tenancies); or the provisions of the Housing Act 1988, as amended by the Housing Act 1996 (for post 1996 tenancies) (or their Northern Ireland or Scottish equivalents (together with the Private Tenancies (Northern Ireland) Order 2006)).
- The tenancy agreement/proposed tenancy agreement contains no unusual terms which will materially adversely affect the Property.
- The tenancy agreement/proposed tenancy agreement is for a minimum term of 6 months and a maximum term of 12 months and the landlord should be entitled to vacant possession at the end of the agreed term.
- All necessary notices were served on the tenant prior to the commencement of the tenancy or arrangements are in hand to ensure that all relevant notices will be served prior to commencement of the tenancy agreement.
- In the case of a leasehold Property, you must obtain any requisite consent from your landlord and any superior landlord to the creation of the tenancy and you must ensure that the tenancy agreement contains no provisions which are contrary to the terms of the lease.
- The Property must not be or become a house in multiple occupation as defined in the Housing Act 1985 or the Housing Act 2004 (or their Northern Ireland or Scottish equivalents).
- Any tenant must not be able to claim any type of immunity from legal action e.g. diplomatic immunity.
- We reserve the right to approve any proposed letting of the Property prior to the execution of any lease/tenancy agreement, such approval to be in writing. An administration charge may be levied in accordance with our Tariff of Charges applicable at the time of renewal. We will not unreasonably withhold our written consent to the grant of a new tenancy for a minimum term of 6 months or a maximum term of 12 months provided it is substantially on the same terms as the approved existing tenancy agreement and complies with all the conditions outlined in this condition.
- You must comply with all relevant health and safety legislation applicable from time to time to landlords of residential Property. You must seek advice if you require further assistance in relation to this. If the Property is furnished you are responsible for obtaining the necessary soft furnishing/gas safety register/electrical certification.
- Any deposit taken by you in relation to the tenancy must be held in an approved tenancy deposit scheme as defined by the Housing Act 2004 (or their Northern Ireland or Scottish equivalents, where applicable).
- You must ensure that any buildings insurance cover will continue during the letting of the Property in accordance with your obligations regarding insurance of the Property contained in this booklet and the Offer of Loan.
- Any notice or demand served by us shall be deemed to have been sufficiently given if delivered by hand or sent by pre-paid post to your last known address. Notwithstanding this, you will, in writing, immediately notify us of any permanent change of address and shall provide us with your new address.
- If a tenancy is granted or is already in existence which does not comply with the above conditions, it will not have our consent and will not be binding on us.
- Where it is reasonable to do so in order to protect our security we reserve the right to request financial information from you on a periodic basis during the Mortgage Term to enable us to assess your financial commitments and your ability to repay the Loan. You agree to reply to any reasonable request to supply such information within 7 days of receiving the request.
- **We reserve our right to sell the Property if you cannot pay the outstanding amount at the end of the Mortgage Term.**

Please note that letting the Property may affect buildings and/or contents insurance cover.

## 22. Buy-to-Let Loans additional requirements for solicitors

If your Offer of Loan states that you have a Buy-to-Let Loan this condition 22 applies. Prior to drawdown of the Loan, our solicitor must provide written confirmation that:

- The Property is let or will be let on an assured shorthold basis (or in Scotland on a short assured tenancy basis or in Northern Ireland on a residential tenancy basis with a term not longer than 12 months) pursuant to the provisions of the Housing Act 1988 (for pre 1996 tenancies), or the provisions of the Housing Act 1988 as amended by the Housing Act 1996 (for post 1996 tenancies) (or their Northern Ireland or Scottish equivalents (together with the Private Tenancies (Northern Ireland) Order 2006)).
- The tenancy agreement/proposed tenancy agreement contains no unusual terms which will materially adversely affect the Property.
- The tenancy agreement/proposed tenancy agreement is for a minimum term of 6 months and a maximum term of 12 months and the Borrower should be entitled to vacant possession at the end of the agreed term.
- All necessary notices were served on the tenant prior to the commencement of the tenancy or those arrangements are in hand to ensure that all relevant notices will be served prior to commencement of the tenancy agreement.
- In the case of a leasehold Property, that any requisite consent has been given to the creation of the tenancy and that the tenancy agreement contains no provisions which are contrary to the terms of the lease.
- The Property is not a house in multiple occupation as defined in the Housing Act 1985 or the Housing Act 2004 (or their Northern Ireland or Scottish equivalents).
- Where the tenant is known, the proposed tenant will not be able to claim any type of immunity from legal action e.g. diplomatic immunity.
- If we request it the solicitor must provide us with a certified copy of the tenancy agreement and a certified copy of any necessary notices served.

## 23. Buy-to-Let Loans portfolio loans

If your Offer of Loan states that you have a Buy-to-Let Loan and it is part of a portfolio of loans that you have with us then:

- in the event that you repay the whole Loan due in relation to any mortgage you have with us we may at our discretion refuse to release the Property from that mortgage if we believe there is insufficient security under any separate mortgage over another Property or Properties for repayment of any other sum owed by you to us under that other mortgage (this will not apply where the Loan you are repaying is a Loan secured over your principal place of residence in which case we will release the Property from that mortgage where you repay the Loan due in relation to that Property); and
- we may take and use any money which we have received from you or which we hold for you or is due to you, to pay any sums which are due for payment by you (whether under a mortgage, loan, guarantee or otherwise) but which have not been paid. We will give you written notice when we have done this.

# Section C - Mortgage Conditions 2016

## 1. Definitions

The meanings of the key words and phrases used in these Mortgage Conditions 2016 are as set out in Condition 32 at the end of this booklet.

## 2. What you have to pay and when

- 2.1** When you sign the Mortgage Deed you agree to pay to us, and the Mortgage over your Property will secure the payment of:
- 2.2** any money advanced by us to you under this Loan (including any unpaid interest) and any other loan you have with us;
- all fees that have been added to the Loan and any other loan with us;
  - all Charges incurred by us;
  - any Insurance Premium that has been added to the Loan;
  - all other sums which may become payable by you under the Mortgage Conditions 2016.
- 2.3** You agree to repay the Loan with interest at the interest rate by the monthly Payments over the Mortgage Term. The Payment is due every calendar month throughout the Mortgage Term.
- 2.4** The Loan must always be repaid by the Final Repayment Date.
- 2.5** The first monthly Payment will be made on the date of the legal completion of the Mortgage and will include interest calculated for the period from (and including) the date funds are issued to you up to and including the last day of the same month. After this, all subsequent Payments will be made on the same date in each succeeding month as the first Payment (or such other date as we may agree with you from time to time). It is not unusual for solicitors or licensed conveyancers to request funds in advance of any set-completion date and you will be charged interest as soon as the funds are released to the solicitor or licensed conveyancer.
- 2.6** The Payment must be made by direct debit (or such other method as may be reasonably requested and agreed by us).
- 2.7** Where the rates of interest charged by us change or if you are allowed a concessionary rate or any other concession for a short time and then it no longer applies for any reason then the amount of the monthly Payment will be changed accordingly.
- 2.8** Where the Payment is calculated on the basis of the provision of a Policy then:
- if you fail to make payments due in respect of the Policy; or
  - if you do anything or omit to do anything which may prejudice the Policy; or
  - if we have reasonable grounds to believe that the proceeds of any Policy will be insufficient to meet your liabilities under these Mortgage Conditions 2016 at the end of the Mortgage Term and you fail to take any action (such as increasing your Policy contributions) to ensure that those liabilities will be met in full;
- we may change your Loan to a Repayment Loan which will require payment of instalments of capital under the Loan in addition to interest and the Payment will be varied accordingly. Before we do this we will undertake an affordability assessment to ensure the increased monthly Payments are affordable.
- 2.9** On completion of the Mortgage with us you will become a Member of the Society and will be given a copy of the Rules on request.
- 2.10** If your interest in the Property is increased or expanded in any way, for example, if you were able to buy the freehold of a leasehold Property, then you must grant us a first legal charge over that increased interest.

### 3. The interest that you have to pay

- 3.1 The rate of interest payable by you in relation to your Loan is set out in your Offer of Loan.
- 3.2 The rate of interest may change over the Mortgage Term as explained in your Offer of Loan and these Mortgage Conditions 2016. An increase in the interest rate will increase the amount of your monthly Payment.
- 3.3 Unless otherwise stated in your Offer of Loan interest will be calculated daily. This means if your Offer of Loan is silent or it states that interest on the Loan is calculated daily, interest on the Loan will be calculated daily and will be applied to the account on the last day of each month in each year. If your Offer of Loan states that interest on the Loan is calculated monthly, interest will be calculated monthly and applied to the account annually on 31st March in each year.
- 3.4 If you repay the outstanding balance of the Loan in full or in part before the Final Repayment Date we may charge interest up to the end of the month of repayment, or as set out in any conditions in the Offer of Loan.
- 3.5 We may charge interest on any part of the Loan which is unpaid from the date the Payment is due until payment is made (whether before, on or at any time after demand or judgment or bankruptcy of the Borrower). Interest may be compounded, which means that it may be added to your Loan and itself have interest charged on it until it is paid (whether before, on or at any time after demand or judgment or bankruptcy of the Borrower).
- 3.6 We may divide your Loan into different parts. Where your Loan is made up of different parts this will be set out in your Offer of Loan. We may also charge interest at different interest rates on different parts of the Loan and this will be set out in your Offer of Loan. We may agree to allow different parts of the Loan to be repaid over different repayment periods. Unless otherwise agreed by us in writing, your Payments will be allocated proportionately between each part of the Loan.
- 3.7 If the Loan is made by instalments or any amount is held back we will charge interest from the date that each instalment or amount held back is advanced to you.

### 4. The rate of interest

- 4.1 Where we have agreed to a fixed rate of interest for any period in respect of your Loan we will not vary the interest rate for that period without your agreement other than in specific circumstances set out below. **It is important to understand that even where your interest rate is fixed, in certain circumstances the rate may be changed.**
- 4.2 Where we have agreed a rate of interest which is linked to or tracks an independently fixed rate (for example the Bank of England Base Rate), the interest rate will vary in line with that rate. If such rate ceases to exist or be available we may for the purposes of calculating interest select another independently fixed rate to replace it and we will notify you of the new rate. **Even where the interest rate is linked to or tracks an independently fixed rate we may vary the rate outside changes in the independently fixed rate in specific circumstances set out below.** Where the interest rate on your account tracks the Bank of England Base Rate, any applicable change in the Bank of England Base Rate will be applied to your account on the first day of the month following the change, unless the change is made after the 13th of the month in which case it will be applied on the 1st day of the second month following the change.
- 4.3 Interest is payable by you at the rate specified in the Offer of Loan. We can reduce the interest rate at any time. Where the interest rate is not a fixed rate we may increase the interest rate if we reasonably believe the increase is needed for one or more of the following reasons. We can also increase the margin charged over any reference rate (such as Bank of England Base Rate, LIBOR or any other reference rate) under this condition:
  - to take account of, in a proportionate manner, a change in the Bank of England Base Rate;
  - to take account of, in a proportionate manner, the cost of funds we require for our mortgage business;
  - to take account of, in a proportionate manner, an increase in our cost of capital;
  - to take account of, in a proportionate manner, any increase in costs reasonably incurred by us in operating our mortgage business and in particular in providing and administering our mortgage accounts;
  - it is necessary for financial and prudential reasons with the consent of the Regulator;
  - it is necessary to maintain our financial strength in the interest of all our customers;
  - to take account of, in a reasonable manner, changes in the law or the interpretation of the law, decisions, guidance or recommendations of an Ombudsman (including the Financial Ombudsman Service), Regulator (including the Financial Conduct Authority) or similar person, or any code of practice with which we intend to comply.

- 4.4** Where we make a change in the interest rate (or in the case of a tracker rate the margin over the relevant reference rate) under this Condition we will give you notice of any variation:
- by a written notice exhibited at our Head Office and at our branch offices and as shown in advertisements in at least two daily newspapers which we may from time to time select for this purpose; and
  - by personal notice to you.

Any change in the interest rate under Condition 4.3 will not take effect on a date earlier than:

- the date on which the notice announcing the alteration is first exhibited at our Head Office; or
  - the date specified in the personal notice given to you.
- 4.5** If the rate of interest payable in respect of your Loan is increased we will either increase your Payment or will, with your agreement, make an alternative provision so that payment of the additional interest is made. For example we may, with your agreement, and where it is reasonable to do so extend the Mortgage Term. If the rate is reduced we will adjust your Payment appropriately.

- 4.6** Where you do not make full repayment of the outstanding Loan at the end of the Mortgage Term we may remove any fixed or other concessionary interest rate applicable on your Loan (such as a discounted, fixed or tracker rate) and we may instead charge interest at our Standard Variable Rate on the outstanding Loan until repayment is made in full. We will notify you at the time where we change your interest rate to our Standard Variable Rate. Where we increase the rate under this Condition we will give you personal notice.

Any variation in the interest rate under this Condition is not an acceptance by us of your failure to repay the Loan at the end of the Mortgage Term and we may still take action against you for payment of the debt, including possession proceedings.

- 4.7** In addition to our legal rights and our rights under Conditions 4.1, 4.2, 4.3, 4.4, 4.5 and 4.6 above we can also change the rate of interest payable by you to take account of, in a proportionate manner, any increased risk to our security due to one or more of the following acts or omissions by you:
- an unauthorised letting of the Property;
  - an unauthorised change of use of the Property (for example you have changed the use of the Property from residential to commercial use);
  - an unauthorised material adverse change to the structure of the Property;
  - a failure by you to maintain the Property to the extent that it has materially reduced the value of the Property;
  - if you move out of the Property;
  - if you grant rights or allow anyone to get rights in the Property without our consent;
  - if your circumstances materially change (either at the time of your application or during the Mortgage Term) to the extent that we would not have granted the Loan on such favourable terms had we known the full facts at the time of your application and such act or omission means you are in material breach of these Mortgage Conditions; or
  - you do or omit to do something (either at the time of your application or during the Mortgage Term) which materially changes the value of the Property or any security offered in connection with the Loan to the extent that we would not have granted the Loan on such favourable terms had we known the full facts at the time of your application and such act or omission means you are in material breach of these Mortgage Conditions.

Please note any variation in the interest rate under this Condition 4.7 will reflect in a proportionate manner the increased risk to us as a result of the act or omission by you. Any increase in the rate made to reflect the increased risk is not an acceptance by us of the relevant breach and we reserve the right to take enforcement action in accordance with these Conditions. Where we increase the rate under this Condition 4.7, we will notify you in accordance with Condition 25.

For the avoidance of doubt, any change under this Condition 4.7 will not take effect before the date specified in the individual notification under Condition 25.

- 4.8** We have the right to change our procedures for charging interest and our procedure for calculating monthly Payments where it is reasonable to do so at any time to take account, in a proportionate manner, of the requirements of, or recommendations made by, the Financial Conduct Authority or any other body responsible for regulating our business. We will, where practicable, give you 3 months' written notice of any of the above changes before they come into effect.

## 5. Changing the type of Loan you have

- 5.1** During the Mortgage Term you may change the type of Loan you have from an Interest Only Loan to a Repayment Loan or from a Repayment Loan to an Interest Only Loan provided we give you our prior consent and subject to our lending criteria applicable at the time being met. To obtain consent from us, you should make a written request to us. We will notify you if we agree to your request.
- 5.2** During the Mortgage Term you may change the type of Loan you have to a Mixed Loan subject to our lending and product transfer criteria being met and provided we give you prior consent. To obtain consent from us, you should make a written request to us. We will notify you if we agree to your request.
- 5.3** We may make a Charge, as specified in our Tariff of Charges, for our administration costs in allowing you to change the type of Loan you have.
- 5.4** At any time you may request, either in writing or by telephone, that we extend or reduce the Mortgage Term. In the case of a request to extend the Mortgage Term, any change in the Mortgage Term is subject to our agreement. Where your request to extend or reduce the Mortgage Term is granted, we may need to recalculate your usual monthly Payment accordingly. Unless your Offer of Loan states that you have a Flexible or Offset Loan there may be a Charge made for recalculating the Mortgage Term or recalculating your usual monthly Payment, as specified in our Tariff of Charges, and an Early Repayment Charge may apply if the term is reduced before a date specified in your Offer of Loan.

## 6. How you will repay a Repayment Loan

Each Payment will consist of the following:

- interest due under the Mortgage;
- capital due under the Mortgage;
- any Charges incurred by us.

## 7. How you will repay an Interest Only Loan

- 7.1** Each Payment will consist of the following:
- interest due under the Mortgage;
  - any Charges incurred by us.
- 7.2** Your last Payment will consist of the total amount of the outstanding balance of your Loan including the original capital amount (if it remains unpaid) all unpaid interest and Charges.
- 7.3** If at any time the outstanding Loan exceeds 95% of the value of the Property, we may require you to make Payments of both interest and capital in such sums and for such period as we may reasonably require in order to reduce the outstanding Loan below 95% of the value of the Property. We will give you 3 months' written notice if we require these payments and will undertake an affordability assessment in relation to the increased payment at the time before we increase your Payments as a result of this condition.
- 7.4** We may require a re-valuation of the Property from time to time during the Mortgage Term. We may exercise our right to revalue the Property if we have reason to believe that the Property may have materially reduced in value or that your selected repayment vehicle may be insufficient to clear the outstanding Loan at the end of the Mortgage Term. In such cases we would seek to revalue the Property at intervals of no more than once every two years. You will be responsible for the cost of any such revaluation.
- 7.5** Where we reasonably believe that your selected repayment vehicle may be insufficient to clear the outstanding Loan at the end of the Mortgage Term and you fail to take any action (such as increasing any contributions to your repayment vehicle or changing your selected repayment vehicle) to ensure that those liabilities will be met in full, we may change your Loan to a Repayment Loan which will require payment of instalments of capital under the Loan in addition to interest and the Payment will be varied accordingly. We will give you 3 months' notice of the change and we will undertake an affordability assessment in relation to the increased Payment at the time before we increase your payments as a result of this condition.

## 8. Fees and charges - the other sums that you may have to pay

- 8.1** Any fees that you are required to pay for your Mortgage, as well as whether any such fees can be added to your Loan, are detailed in your Offer of Loan under the heading 'What fees must you pay?' Your Offer of Loan will also detail any Higher Lending Charge that you may be required to pay and whether it can be added to your Loan.
- 8.2** Separately to any fees set out in your Offer of Loan there are a number of Charges which may arise through the life of the Loan. These Charges include, but are not limited to, the matters listed in our Tariff of Charges and the examples given below. We will tell you when you have incurred a Charge.
- 8.3** We may apply reasonable Charges to your Loan for items relating to the operation of the Loan and where you ask us to provide a document or service in connection with your Loan, whether to you or anyone else. Where possible, the amount of the Charge will be set out from time to time in our Tariff of Charges. Examples include:
- storing, releasing, supplying or copying title deeds or documents to you or anyone acting for you;
  - releasing the Property or any related rights from our security;
  - any third party charges which we incur in dealing with the Mortgage or its discharge such as Land Registry fees.
- 8.4** You must also pay all reasonable Charges which we reasonably incur to safeguard our security or because you fail to fulfil an obligation you have under the Loan or the Mortgage. Where we are able to estimate (based on our mortgage lending activities as a whole) the expenses we are likely to incur, the amount of the Charge will be set out from time to time in our Tariff of Charges and will be limited to this amount. Where we are unable to estimate the amount of the Charge we will charge a reasonable amount together with any external costs which we may incur. Examples include:
- any legal proceedings and costs relating to the Mortgage (this applies whether or not you are a party to the proceedings) this will include legal and court costs in taking action to recover the Loan from you;
  - costs incurred in recovering the Loan;
  - costs of protecting or preserving our security which may include doing any necessary works on the Property if you do not do them;
  - costs of exercising any of the rights or powers given to us by law, the Mortgage Deed, the Offer of Loan or these Mortgage Conditions 2016;
  - any costs, we incur as a result of a breach by you of any of the conditions contained in the Mortgage Deed, the Offer of Loan and/or these Mortgage Conditions 2016;
  - any cost or expenses we may incur in paying the Insurance Premium and/or any other premium relating to the Property, its content and/or any Loan protection insurance;
  - any reasonable costs fees or expenses reasonably incurred by any receiver who may be appointed under these Mortgage Conditions 2016.
- 8.5** We may abolish or reduce any of our existing Charges detailed in the Tariff of Charges at any time and without notice.
- 8.6** We may introduce new Charges or increase an existing Charge if any one or more of the following reasons apply or we reasonably expect any of them to apply:
- to take account of, in a proportionate manner, an increase in a cost to us which is reasonably incurred in carrying out the work for which the Charge is made;
  - to reflect reasonably the costs incurred by us (both internal and external) of any new activity;
  - to reflect changes in a proportionate manner which we may reasonably make in the activity we carry out or the service we provide, or to provide new services;
  - to take account of, in a reasonable manner, changes in the law or the interpretation of the law, decisions, guidance or recommendations of an Ombudsman (including the Financial Ombudsman Service), Regulator or similar person, or any code of practice with which we intend to comply;
- 8.7** Where we increase our Charges we will give you notice of any variation in one of two ways:
- by a written notice exhibited at our Head Office and at our branch offices and as shown in advertisements in at least two daily newspapers which we may from time to time select for this purpose; or
  - by personal notice 30 days prior to the change taking effect.

- 8.8** You must pay all Charges when we ask for them. Charges form part of the Loan and will accrue interest from the date they are incurred until the date they are repaid. You may however pay any of the Charges when they are incurred to avoid interest accruing.
- 8.9** If your interest is calculated monthly and any Insurance Premium is outstanding at the 31st March of any year, you must pay the outstanding amount to us. If you fail to make such Payments, we may charge interest on the amount due. If your interest is calculated daily and any Insurance Premium is outstanding at the end of any month, you must pay the outstanding amount to us. If you fail to make such Payments, we may charge interest on the amount due.
- 8.10** If we have to pay any Charge levied by a third party, we will try and give notice to you within a reasonable time stating the amount of the Charge, the nature of the service supplied by the third party and the date on which we have to pay the Charge or the date on which it was paid.
- 8.11** You agree to repay to us when we ask you to all Charges reasonably and properly incurred by us in order to protect our security and which arise as a consequence of anything done or omitted to be done by you under these Conditions.

## **9. Your Property - what you have to do**

**9.1** You must do the following:

- maintain all the buildings upon the Property in a good and substantial state of repair and decoration to our satisfaction and not demolish or make any structural alterations to the Property (without our prior consent). We will act reasonably in granting or withholding our consent;
- complete to our satisfaction any building on the Property or any part of it which is at any time in the course of erection;
- if you become aware of any damage, defect or depreciation suffered by the Property which may give rise to a claim for compensation you will tell us immediately;
- do anything concerning the Property which is legally required by a person acting with statutory or other competent authority (including prompt payment of any Charges or assessments which are at any time charged or imposed on the Property by any competent authority);
- occupy the Property and use it only as a single private dwelling house and not allow anyone other than you and your immediate family (as a single household) to live there unless we otherwise agree in writing;
- tell us immediately, and provide us with a copy, of any notice, order, proposal or claim received by you in relation to the Property including any of the following:
  - a notice from a person exercising a right over the Property or claiming an interest or licence in relation to it;
  - a notice about the Property received from a person acting with authority (for example a notice received from your local authority);
  - a notice given in order to get a new or increased interest in the Property (for example a longer lease or an interest as a freeholder) or in any building which forms part of the Property;
  - a permission or refusal or any other notice in relation to planning that you receive;
  - any other notice or proposal relating to planning issued by any authority;
- observe and comply with:
  - the terms of any lease which is over the Property; and
  - any restriction which relates to the Property or its services and amenities (for example a restrictive covenant on the title of the Property or the rules of a management company affecting the Property); and
  - any obligation affecting the Property or its use and enjoyment or affecting you as the owner of the Property and to pay any costs incurred by us in respect of any such items;
- where you receive any notice or proposal relating to planning in respect of the Property issued by any competent authority then without delay you must take all reasonable and necessary steps to comply with it and at the request of us to make or join with us in making objections to any notice or proposal issued by any competent authority if we wish to do so;



- permit us and our duly authorised representatives at any time to enter and inspect the Property and to do any work on the Property which we think is reasonably necessary to remedy any failure on your behalf to comply with the Mortgage Conditions 2016 and save in an emergency we will give you at least seven days' notice of our intention to exercise our right under this Condition;
- comply in all respects with the Planning Acts and all statutory instruments and notices relating to the Property or to you as owner of the Property and to be responsible for any losses and/or expenses incurred by us in respect of your failure to comply with such items.

**9.2** In the Mortgage Deed you also promise to assign and transfer to us and to hold for our benefit:

- all sums which may be or become payable in respect of the Property or in respect of any damage or injury to it or depreciation of it;
- the benefit of any other obligation, security or right affecting or concerning the Property.

We are entitled to apply any money arising in respect of any such rights to repay the Loan or any part of it or any other loans from us unless these sums are used to our satisfaction in restoring or improving the Property or to restore and maintain the services and amenities in relation to the Property.

**9.3** You may not do any of the following in respect of the Property unless you have our consent:

- grant any licence, lease or tenancy;
- share possession or occupation of the Property (except that you may share possession or occupation with your immediate family as a single household);
- sell or transfer all or part of the Property to someone else;
- grant, assign, transfer or surrender a lease of the Property or accept a surrender of any lease of the Property;
- create any further charge on the Property other than any security granted to us;
- apply for, or allow anyone else to apply for, planning permission in relation to the Property without our consent and if we give you consent you agree to pay to us any costs incurred by us and arising out of any application for planning permission in relation to the Property;
- apply for or accept any improvement or other grant in respect of the Property.

**9.4** Sections 99 and 100 of the Law of Property Act 1925 (or their Northern Ireland or Scottish equivalent, where appropriate) do not apply to this Mortgage. These provisions place restrictions on the powers of a lender under a mortgage, the legislation allows the lender and the Borrower to agree that these restrictions will not apply. The statutory limitations imposed on lenders in those sections do not apply to this Mortgage.

## 10. Insurance of the Property

**10.1** You must insure the Property under an Insurance Policy at your expense.

**10.2** Unless your Offer of Loan states that you must take out an Insurance Policy through us, you may arrange your own Insurance Policy. Where your Offer of Loan states that you must take out an Insurance Policy through us, or where you choose to take out an Insurance Policy through us, we will arrange the Insurance Policy on your behalf. Where we arrange the Insurance Policy on your behalf, you must pay the monthly Insurance Premium direct to the insurer.

**10.3** Other than the Insurance Policy in relation to the Property, any other insurance that you must take out as a condition of the Mortgage will be set out in your Offer of Loan under the heading 'Insurance'.

**10.4** If you choose to arrange an Insurance Policy yourself, or in the case of leasehold Property where the requirements on the provision of insurance is subject to certain requirements in the lease, special conditions will apply. We will tell you what these special conditions are, and they may include any of the following:

- the Insurance Policy must be in your name only;
- you must obtain our written consent to the Insurance Policy, and such consent will not be unreasonably refused by us provided that the Insurance Policy satisfies the minimum amount that we may reasonably require. The Insurance Policy must cover all the normal risks and must not be subject to any unusual exclusions;
- we may charge a reasonable administration fee, in accordance with our Tariff of Charges, to cover our costs of ensuring that the Insurance Policy meets with our reasonable requirements;
- we are under no obligation to ensure that your Insurance Policy is adequate;

- 10.5** We may insure the Property and claim payment from you in respect of the Insurance Premium if you fail to comply with your obligations to insure the Property.
- 10.6** Subject to any requirements in relation to any leasehold Property, we:
- may settle all claims under the Insurance Policy;
  - shall be entitled to receive all monies received in respect of a claim under the Insurance Policy and apply the money in reduction of the Loan unless such monies received are used to our satisfaction in restoring the Property to the condition it was in prior to the event which gave rise to the insurance claim.
- 10.7** If we arrange an Insurance Policy, any money which we receive (other than money paid out following a claim under the Insurance Policy), whether as commission or otherwise, will belong to us and we are not required to pass this on to you.
- 10.8** Whether you or we arrange the Insurance Policy, you:
- must comply with the requirements of the Insurance Policy;
  - must notify us within 7 days of becoming aware of any event which may give rise to a claim under the Insurance Policy;
  - must not do or consent or agree to anything which could make it more difficult or expensive to keep the Property insured or which could make the insurance invalid void voidable or unenforceable or make any proceeds of the Insurance Policy irrecoverable whether in whole or in part;
  - will hold any money received under that Insurance Policy for our benefit and pay the money to us to reduce the Loan unless the monies received are used to our satisfaction in restoring the Property to the condition it was in prior to the event which gave rise to the insurance claim.
- 10.9** Where you choose to let us arrange the Insurance Policy but you subsequently decide to change insurer, we may charge an administration fee to reflect the reasonable costs and expenses we incur, these fees will be set out in our Tariff of Charges.
- 10.10** If the Property is located in Northern Ireland and it suffers damage for which the Compensation Agency is responsible you will pursue any claim and will hold any compensation paid by the Compensation Agency to you on trust for us, unless an insurer has paid money to you under an Insurance Policy in respect of the same damage in which case you will hold on trust for us the part compensation that is not refunded to the insurer, and we may require you to use any money paid by the Compensation Agency to repair or rebuild the Property or to reduce or pay off the Loan.

## **11. When the Loan has to be paid back to us**

- 11.1** Where any of the following events occur, we become entitled to require you or your personal representative to repay the Loan in full together with any accrued interest and charges. In addition we will become entitled to exercise all the powers conferred on us under these Mortgage Conditions 2016 if:
- The amount outstanding on your account is more than the amount of two monthly Payments;
  - you are in material breach of any of the other obligations or conditions contained in these Mortgage Conditions 2016;
  - a landlord tries to seize assets or forfeit any lease because you have not paid rent due or performed any other obligation in respect of the Property and such position has not been remedied to our satisfaction within two calendar months;
  - we discover that you have given us materially false, incomplete or misleading information when you applied for the Loan and had we been in receipt of the correct information at the time, we would not have advanced the Loan to you;
  - we discover that you have given us materially false, incomplete or misleading information about you or the Property after completion of the Loan and that information has had a material effect on our decision to continue to lend;
  - the Property becomes subject to a Compulsory Purchase Order;
  - you are made bankrupt;
  - you enter into an arrangement with or for the benefit of your creditors or propose to do so;
  - you are a single or last surviving Borrower and you die or you become incapable of managing your affairs;

- you do anything which may materially damage or reduce the value of the Property or you fail in a material manner to perform any obligation (whether to pay money or otherwise) imposed upon you as the owner of the Property;
- you abandon the Property;
- you give possession of the Property to us;
- the Guarantor terminates or purports to terminate their obligations under the Mortgage Conditions 2016 or fails to perform any obligation (whether to pay money or otherwise) under the Mortgage Conditions 2016 or becomes insolvent or dies or becomes incapable of managing their affairs; or
- you have reached the end of your Mortgage Term.

- 11.2** We may require you, on the expiry of 3 months' written notice to repay the Loan. We will only exercise this power:
- a) if we have a good reason to believe that you have been involved in fraudulent or serious criminal behaviour; or
  - b) if we have a good reason to believe that the relationship between us and you has irretrievably broken down, such as physical, threatening or abusive behaviour to either us or our staff.

## 12. What we can do

- 12.1** All money secured by this Mortgage is due on the day following the date of execution of the Mortgage Deed and on that date the powers given to a lender by the Law of Property Act 1925 (or its Northern Ireland or Scottish equivalent) and the other powers specified in the Mortgage Conditions 2016 arise in our favour and become exercisable free from the restrictions and conditions imposed by Section 103 of the Law of Property Act 1925 (or its Northern Ireland or Scottish equivalent, where appropriate). We will however not demand immediate payment of the full amount of the Loan until one of the events of default set out in Condition 11 above has occurred.
- 12.2** The power of sale and leasing that are granted to us by sections 99 and 100 of the Law of Property Act 1925 (or their Northern Ireland or Scottish equivalent, where appropriate) are extended to apply to us and any person appointed by us, including any receiver appointed by us, to do the following (without the need to comply with any of the restrictions imposed by sections 99 and 100 of the Law of Property Act 1925):
- sell the Property for a price payable (with or without interest) by instalments over such period and in such manner as we reasonably think fit;
  - dispose of the Property by way of lease or sub-lease with or without payment of a premium and for such term and rent as we may reasonably decide;
  - sell any freehold or leasehold reversion so created;
  - allow a person who holds a lease of the Property to surrender that lease on any reasonable terms as we think fit.
- 12.3** We are entitled to sell the Property without paying off any other charges that might be applicable to either the Property or any of its contents and no person who buys the Property from us need enquire whether our powers have become exercisable or have been properly exercised.
- 12.4** If we reasonably consider that the outstanding Loan will not be repaid in full at the end of the Mortgage Term, we may require you to make Payments of both interest and capital in such sums and for such period as we may reasonably require in order to ensure repayment in full. We will give you 3 months' written notice if we require these Payments and will undertake an affordability assessment in relation to the increased Payment at the time before we increase your Payments as a result of this condition.
- 12.5** If any of the events of default set out in Condition 11 occur, we may appoint, at your expense, one or more people (whether or not one of our employees) to be a receiver of all or any part of the Property and any other security for the Loan. Any receiver appointed will also have, in addition to the powers given to him by law, the powers set out in the Conditions below.
- 12.6** Where we appoint more than one receiver they may be given power to act either together or on their own. We may, from time to time, agree the charges of any receiver. The receiver will be paid a reasonable salary or commission as we decide and we may remove the receiver and appoint someone else in his place at any time at our reasonable discretion. The receiver will (to the extent permitted by law) be your agent. You will be responsible for anything the receiver does or fails to do when he is exercising his powers, and you are also responsible for his charges.

Any receiver appointed under these Conditions will have, and will be entitled to exercise, the powers given to him under law (including under the Law of Property Act 1925 (or its Northern Ireland or Scottish equivalent, where appropriate)) and these Conditions. In addition the receiver will be entitled to exercise all the powers of a beneficial owner of the Property.

Any money received by the receiver will (to the extent permitted under law) be applied in the following order:

- to pay the Charges, costs and fees relating to his appointment and the exercise of his powers;
- to pay his charges and expenses;
- to pay to us the Loan;
- any balance will be paid to the persons entitled to it.

Sections 109(6) and (8) of the Law of Property Act 1925 (or their Northern Ireland or Scottish equivalent, where appropriate) (relating to the payment of fees of a receiver) will not apply. These provisions set out the order in which money received will be applied by a receiver unless another order of payment is agreed with the Borrower.

**12.7** We and any receiver appointed are entitled (but without becoming liable as a mortgagee in possession or as heritable creditor in possession) to:

- enter and take possession of the Property;
- start and complete any building work and obtain planning permissions, building regulation approvals and any other consents or licences;
- borrow money, using the Property as security or not;
- manage, decorate or furnish the Property and provide goods and services for any tenants;
- if the Property is leasehold, agree to change the terms of the lease, or surrender it, and/or arrange a new lease. If the receiver agrees to the granting of a new lease, our security for the Mortgage will automatically transfer to the new lease and the receiver may arrange whatever formal legal charge on it as we require;
- sell, let, lease and grant licences or users' rights and change the terms of or end leases, tenancies, licences or users' rights;
- carry out reasonable repairs, alterations or other works to the Property;
- appoint, employ, pay and dismiss staff, contractors and agents;
- sell any of the fixtures on the Property;
- sell or surrender the Property in whole or part;
- do anything we have the power to do under these Conditions and the Mortgage;
- insure the Property for such amounts and against such risks as we shall think fit;
- inspect the Property at any reasonable time and carry out surveys for insurance or valuation purposes or for the production of such other reports as we may reasonably require;
- exercise all powers and authorities as we shall think fit to confer and so that we may confer any powers and authorities which we could give if we were the absolute owner of the Property;
- at your expense perform any promises you had made and which are contained or incorporated in these Conditions where you are in breach;
- do anything the law allows in connection with the Property;
- instruct any third party (at your expense) to do any of the above, and any expenses incurred in accordance with this Condition will form part of the Loan and will bear interest from the date when they are incurred until the date when they are repaid in accordance with Condition 4.

You shall have fourteen days after we or any receiver enters into possession of the Property to remove any furniture, goods and/or belongings you have left in or upon the Property. If you do not remove your furniture, goods or belongings within those fourteen days we shall be entitled as your agent and at your expense and risk (without us being liable for any resulting loss or damage, provided we act in good faith):

- to sell your furniture, goods or belongings or any of them either separately or with the Property (and if sold with the Property to apportion the total purchase price between the Property and the furniture goods or belongings); and/or
- to remove store or preserve such furniture, goods or any other belongings or any of them and pay the storage charges; and/or

- to dispose of or destroy any furniture, goods and/or belongings you have left in or upon the Property;

all as we may in our discretion think fit. We will not be liable to account to you for any loss caused by our so doing. We will account to you for all proceeds received less all expenses of dealing with the same.

If, upon entering into possession, we find that animals have been left on the Property we may immediately deal with them as your agent as we see fit and we will not be responsible for any loss caused by us in so doing and you will be liable for any costs that we reasonably incur on your behalf.

The costs and expenses that we or any receiver may incur under this Condition shall be considered a Charge. You may pay these Charges when they are incurred and if you do interest will not be charged on them otherwise the amount of the Charge will be added to the Loan. Any money which results from the sale of your furniture, goods or belongings may be used by us to pay the Charges incurred by you. We shall not be liable to account to you for such money until all of the furniture, goods or belongings have been sold or the furniture, goods or belongings which have not been sold have been taken back into possession by you.

This Condition does not give us or any receiver a charge over your furniture, goods or belongings and does not otherwise make this Mortgage and the Mortgage Conditions 2016 a bill of sale.

- 12.8** We may at any time transfer some or all of our rights and obligations under this Mortgage to another person if we reasonably believe the person will exercise those rights and obligations in a way that is no less favourable to you. If we transfer all our rights under the Mortgage to another person the Rules will cease to apply and you will cease to be a borrowing member of the Society.

Unless the terms of the transfer state otherwise:

- the person taking the transfer can exercise all powers and rights available to us before the transfer;
- the person to whom this Mortgage is transferred will be deemed for the purpose of these Mortgage Conditions 2016 to be us.

- 12.9** The power of the lender contained in Section 101 of the Law of Property Act 1925 (or its Northern Ireland or Scottish equivalent, where appropriate) as extended by these Conditions shall be extended to other specified land owned by you whether within the same title numbers as the Property or otherwise.

- 12.10** If your Property is located in Northern Ireland the following Condition applies:

You agree to hold any reversion which will arise on the expiry of the term of years created by the Mortgage (if any) in trust for us and you will assign, convey or dispose of that interest in any way which we direct (subject only to your right to redeem the Mortgage) and you specifically agree that on any sale of the Property by us that you will at your own expense join in any deed which is required to complete the title being acquired by any purchaser.

If you do not agree to co-operate with us we may remove you, or anyone else who is a trustee of the trust declared by this provision and appoint a new trustee(s) in your/his place and vest the estate and interest that you/he has in such new trustee(s). For the sake of clarity the power of attorney provided for under Condition 13.1 below shall apply in favour of us in respect of everything which we require to be done under this Condition.

In relation to the Property you agree that you will be our tenant at the yearly rent of 5 pence (if demanded) and that we may at any time on giving notice to quit determine that tenancy and enter the Property but it is agreed that neither the receipt of the rent nor the actual fact of the tenancy shall make us liable to account to anyone as mortgagee in possession.

- 12.11** If your Property is located in Scotland, the provisions of Conditions 12, 13, 26.3 in so far as they relate to the appointment of a receiver, or the powers of or remuneration of such receiver, shall not apply. However, the powers of a lender in Scotland under the Conveyancing and Feudal Reform (Scotland) Act 1970 (as amended) and as varied by these Mortgage Conditions 2016 will include the right to appoint such agents as are required by us to discharge our rights and duties under the Mortgage and to recover the reasonable costs and expenses incurred by such agents as a Charge under Condition 8 above. You may pay these Charges when they are incurred to avoid interest accruing. Any such agents appointed will also have, in addition to any powers available to us at law, the powers set out in Conditions 12.6 and 12.7.

## 13. Our rights

- 13.1** You (by way of continuing security) irrevocably appoint us (and any person nominated by us jointly and independently) and as a separate appointment any receiver to be your attorney for the following purposes:
- to exercise, claim, assess, enforce, recover or receive any rights vested in the owner of the Property including the giving of any notices or counter-notices and including the assignment or transfer of any such rights;
  - to receive any money due in respect of the Property or any right or claim connected with it and to use any money received to pay off or reduce the Loan in such order as we may reasonably direct or determine;
  - to execute and deliver or perfect in favour of us any further charge, assurance or other documents relating to the Property or to any rights affecting the Property or provided to the owner of it;
  - to do anything or effect any payment in order to protect our security or our right or interest under the Mortgage and to use all lawful means to enforce payment of and to receive any money or damages from time to time due to you relating to the making good of or compensation for defects in or depreciation of the Property or to your title to it;
  - to receive all money payable under any policy of insurance not effected in our name in respect of any loss or damage to the Property or in respect of your title to the Property;
  - to assign, transfer, surrender or otherwise deal with the Policy and to receive the Policy money and apply it in respect of any sum secured by this Mortgage;
  - to do those things and acts which you are required to do under the Mortgage Conditions 2016 but have failed to do; and
  - to do anything else which is proper and we (and any receiver) consider to be appropriate in connection with any of our powers.

- 13.2** If following a sale of the Property we are unable to discover your whereabouts and there are surplus proceeds of sale then those proceeds may at our option be paid into an interest bearing account to be opened in your name with us or be paid into court pursuant to Section 63 of the Trustee Act 1925 (or its Northern Ireland or Scottish equivalent). The reasonable cost and expense that we reasonably incur shall be considered a Charge and applied to the Loan.

- 13.3** Your Property and the Mortgage are security for:

- the Loan;
- any money you owe us under another mortgage you have or had with us on another property (including a mortgage you have or had jointly with another person).

We reserve the right not to release any security we hold until the Loan and any other money mentioned in this Condition has been paid in full.

This Condition does not apply to any money which the CCA regulates unless we have met the terms of the CCA.

### 13.4 Set Off

If one of the events of default set out in Condition 11 has occurred and you have a savings account with us which has money in it, we can use the balance on that account to repay the Loan in full or in part.

We may take and use any money which we have received from you or which we hold for you or is due to you, to pay any sums which are due for payment by you to us but which have not been paid. We will give you personal written notice when we have done this.

- 13.5** If you have a mortgage on more than one property with us then:

- we will be entitled to take into consideration your portfolio of properties as a whole when exercising our discretion or coming to any decision in relation to all or any one property in mortgage to us;
- Section 93 of the Law of Property Act 1925 (or its Northern Ireland or Scottish equivalent) does not apply to the Mortgage. If you have more than one property mortgaged to us and you want to pay off just one of those mortgages, we have the right to refuse to redeem the mortgages separately, and to require that you pay off all of them, before redeeming any of them;
- in addition to the events of default set out in Condition 11 we are able to enforce our rights to take possession, to exercise our power of sale or to appoint a receiver in the event that we are entitled to enforce such rights in respect of any other property owned by you and mortgaged to us.

## 14. Policy

- 14.1** This Condition 14 applies to any and every Policy which from time to time is kept in place by you to repay all or any part of the Loan on the Final Repayment Date.
- 14.2** Other than where the Property is located in Scotland, we will have an equitable charge on any Policy deposited with us that has not to be legally assigned to us.
- 14.3** If the Loan has become immediately payable, we may:
- sell the Policy or surrender it to the insurers; and
  - use the proceeds to reduce or pay off the Loan.
- After the Loan has been repaid in full any surplus Policy proceeds will be returned to the person entitled to those funds (this will normally be you).
- 14.4** You must do everything necessary to keep the Policy in force and to ensure the money payable under the Policy is paid to us to reduce or pay off the Loan.
- 14.5** The rights of anyone else named in your Offer of Loan or his successors (of whatever kind) over the Policy shall be subject to our prior right to have the Loan repaid out of the proceeds of the Policy whether on maturity or surrender or otherwise.

## 15. Further advance

- 15.1** Any further advances made by us to you become part of the Loan and are secured upon the Property on the terms of these Mortgage Conditions 2016.
- 15.2** Where any further advance has been the subject of an Offer of Loan made by us after the date of the Mortgage Deed then in respect only of such further advances such later Offer of Loan is deemed to be the 'Offer of Loan' referred to in these Mortgage Conditions 2016.

## 16. Early repayment and consolidation

- 16.1** You may repay the whole or any part of the Loan before the expiration of the Mortgage Term specified in your Offer of Loan provided always that you pay:
- all interest accruing in respect of the Loan up to the end of the month of repayment of the Loan; and
  - any Early Repayment Charges specified in your Offer of Loan under the heading 'What happens if you do not want this mortgage anymore?'; and
  - any other fees specified in your Offer of Loan under the heading 'What happens if you do not want this mortgage anymore?'.
- 16.2** Except on such terms as we may impose you are not entitled to redeem this Mortgage without at the same time repaying any other mortgage given by you to us in full nor to repay any other security held by us without repaying this Mortgage in full. This means we will not release any Property or policies held by us as security for the Loan until you repay this Mortgage in full. This Condition does not apply to a Property which is your primary residence.

## 17. Continuing provisions

- 17.1** You will continue to be liable to perform any obligations on your part which are specified in the Offer of Loan and which remain unperformed at the date of the Mortgage Deed.
- 17.2** If we sell the Property but the proceeds of sale are insufficient to pay the amount outstanding under the Loan then you will continue to be liable for this outstanding sum (which is known as 'the shortfall') together with interest on the shortfall amount at the relevant rate of interest from completion of the sale of the Property by us until the Loan is repaid in full.

## 18. Guarantor's covenants

- 18.1** The Guarantor agrees with us in signing the Mortgage Deed or any Deed of Guarantee, to observe and perform all the obligations of the Borrower contained in these Mortgage Conditions 2016 and contained in the Mortgage Deed and Offer of Loan.
- 18.2** We will regard the Guarantor as the principal debtor and his liability is not discharged or affected by anything which would not have discharged or affected the liability of a principal debtor nor by any release waiver or modification of your obligations given by us or time or indulgence granted by us.

- 18.3** The Guarantor waives all rights to participate in the proceeds of any security at any time available to us or in any money which may be received by us (whether from you or any other source) on account of the money secured by this Mortgage unless and until all money so secured has been received by us in full and the Guarantor promises not to prove in your bankruptcy in competition with us.
- 18.4** The obligations of the Guarantor apply in respect of any further advances made to you by us either at the written request of or with the written consent of the Guarantor.

## **19. Consumer Credit Act**

This Mortgage is not intended to be a regulated agreement under the CCA.

## **20. Confidentiality**

- 20.1** We will not disclose information about you, these Mortgage Conditions 2016 and/or the Mortgage to any other person except in the following circumstances:
- you have consented to the disclosure; or
  - we have a legal or public duty to do so; or
  - where it is necessary to protect our interests; or
  - if it is necessary for the enforcement of the Mortgage Conditions 2016 and/or the Mortgage.
- 20.2** We shall be entitled to examine and take copies of all files, papers and other documents relating to or connected with your purchase of the Property which are in your possession or in the possession of your solicitor or other legal or professional adviser. By signing the Mortgage Deed you authorise and require any such adviser to give us such reasonable access to the files papers and other documents as we may reasonably require for the purpose of examination and copying.
- 20.3** We may disclose information about you and your account to any Guarantor.
- 20.4** We may disclose information about you and your Mortgage to credit reference agencies where:
- you have fallen behind with your Payments;
  - you do not dispute the amount owed;
  - you have not made proposals satisfactory to us for repayment of the Loan following a formal demand; and
  - we have given you at least 28 days' notice of our intention to do so.
- 20.5** We may also disclose information about you to credit reference agencies, to the Financial Conduct Authority and the Lenders' Possession Register if you fail to comply with your obligations under the Mortgage and as a result we obtain possession of the Property.

## **21. Recording and monitoring telephone calls**

- 21.1** We may record or monitor telephone calls in order to ensure security for our customers and staff and to help maintain quality of service.

## **22. Concessions**

- 22.1** We may relax any of the terms and conditions of these Mortgage Conditions 2016, for example in a special case. This will not prevent us enforcing these Mortgage Conditions 2016 in full at any time.

## **23. Governing law and submission to jurisdiction**

- 23.1** If your Property is located in England and Wales the Mortgage Conditions 2016, the Mortgage Deed and Offer of Loan are governed by, and shall be construed in accordance with, English law and you agree that for our benefit the English courts shall have non-exclusive jurisdiction to hear and determine any action or proceeding, and to settle any disputes, which may arise out of these Mortgage Conditions 2016. For this purpose you submit to the non-exclusive jurisdiction of the English courts.
- 23.2** If your Property is located in Scotland the Mortgage Conditions 2016, the Mortgage Deed and Offer of Loan are governed by, and shall be construed in accordance with, Scots law and you agree that for our benefit the Scottish courts shall have non-exclusive jurisdiction to hear and determine any action or proceeding, and to settle any disputes, which may arise out of these Mortgage Conditions 2016. For this purpose you submit to the non-exclusive jurisdiction of the Scottish courts.



- 23.3** If your Property is located in Northern Ireland the Mortgage Conditions 2016, the Mortgage Deed and Offer of Loan are governed by, and shall be construed in accordance with, Northern Ireland law and you agree that for our benefit the Northern Ireland courts shall have non-exclusive jurisdiction to hear and determine any action or proceeding, and to settle any disputes, which may arise out of these Mortgage Conditions 2016. For this purpose you submit to the non-exclusive jurisdiction of the courts of Northern Ireland.
- 23.4** We may take proceedings against you in any other court of competent jurisdiction, whether concurrently or not.
- 23.5** No person other than a party to these Conditions may enforce any rights under these Conditions or under any agreement made in connection with the Mortgage by virtue of The Contracts (Rights of Third Parties) Act 1999. A party includes anyone whom we transfer our rights to or anyone we appoint under these Conditions such as a receiver.

## **24. Severing invalid or unenforceable terms**

- 24.1** If any part of any condition of the Standard Conditions of Offer or if any provision of these Mortgage Conditions 2016 is found by any court, Ombudsman or other competent body to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of these conditions which will remain in full force and effect.
- 24.2** If any provision of the Standard Conditions of Offer or these Mortgage Conditions 2016 are so found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, such deletion as is necessary to make it valid and enforceable will be made.
- 24.3** You and we agree, if the circumstances above do not apply, to attempt to substitute for any invalid or unenforceable provision a valid and enforceable provision which achieves to the greatest extent possible the same effect as would have been achieved by the invalid or unenforceable provision.

## **25. Notices**

- 25.1** Notices to be given by us to you must be in writing and shall be treated as given to you personally if sent by post or addressed to you and left:
- at the Property; or
  - at such other address which you give to us in writing.
- 25.2** Any notice shall be treated as given as follows:
- if sent by post on the second day after the day of posting;
  - in the case of notices given personally or left at your address at the time such notice is so given or left.
- 25.3** Where, in accordance with the terms of these Mortgage Conditions 2016, you are permitted to contact or make a request to us by telephone, we can only respond if the telephone request is made by the person who is named as the Borrower in the Mortgage Deed. In situations where there is more than one Borrower, the written confirmation of the other Borrower(s) is not required. Where, as a result of a telephone request, the details of the Mortgage have changed (for example, the Mortgage Term or the usual monthly Payment), a letter of confirmation of those changes will be sent by us to the Borrower(s).

## **26. Shares in a management company or residents' association**

- 26.1** If you hold shares or any interest or have any right in a management company or residents' association or other similar body as a result of your interest in the Property then you shall deposit any share certificate you may have with us. By doing so you shall not create a charge in our favour.
- 26.2** We shall not be obliged to re-deliver any such share certificate unless and until the Loan has been repaid in full.
- 26.3** If we or any receiver sells the Property we or the receiver is authorised by you to deliver any such share certificate on completion of the sale to the purchaser of the Property and/or to complete the transfer of any other interest to any purchaser or tenant of the Property.

## 27. Mistakes

You will not be freed from your personal liabilities under the Mortgage Conditions 2016 when we execute or deliver a statutory receipt or instrument of discharge in respect of this Mortgage if it is subsequently discovered that the amount required for redemption was under-calculated or understated by mistake. If you are aware of this mistake we may demand repayment from you in writing within a reasonable time from the delivery of the receipt or instrument. However, if you are not aware of the mistake we will not be able to require you to repay the sums under this Condition unless we demand repayment from you in writing within three months of the delivery of the receipt or instrument. In the event that a claim is made against you under this Condition you may also have the right to make a counter claim against us for any reasonable losses that you have incurred as a result of you relying on incorrect information supplied to you by us.

## 28. Flexible and Offset loans

- 28.1** If your Offer of Loan states that you have a Flexible or Offset Loan the following Conditions 28 to 30 will apply to your Loan. Conditions 28 to 30 will not apply unless your Offer of Loan states that you have a Flexible or Offset Loan.
- 28.2** You may make an Overpayment at any time. Where you elect to make an Overpayment, the Overpayment can be made either by transfer from an account with the Society, by Direct Debit, by Standing Order, or by cash or cheque at any branch of the Society.
- 28.3** When you elect to make an Overpayment by Direct Debit you must contact us at least five Working Days prior to the day on which you wish to make the Overpayment in order to alter your existing Direct Debit or set up a new Direct Debit.
- 28.4** Where you elect to make an Overpayment the outstanding balance of your Loan will be reduced and each Overpayment will be applied to pay off the outstanding balance of your Loan. Each Overpayment will be applied to your account at the end of the month in which the Overpayment was made, although when the Overpayment is applied to your account, any interest which has accrued in respect of the amount of that Overpayment in the period between the date of the Overpayment and the date the Overpayment is added to your account, will be deducted from your account.
- 28.5** Once you have made an Overpayment you are not entitled to redraw the Overpayment and it will not be refunded to you.
- 28.6** Where you make an Overpayment your usual monthly Payment will remain the same unless:
- you make an Overpayment out of the proceeds of an assigned endowment policy, in these circumstances your usual monthly Payment will automatically be recalculated by us; or
  - you contact us (either in writing or by telephone) to request that your usual monthly Payment is recalculated. In these circumstances we will not charge a fee for recalculating your usual monthly Payment and on making the recalculation, we may (or may not) recalculate the Mortgage Term.

## 29. Underpayments and Payment Holidays

- 29.1** On any day when your Payment is due you may, provided we agree in advance, make an Underpayment (including a Payment Holiday) up to the amount of your usual monthly Payment and up to the amount available in your Reservoir without incurring any further charges or expenses.
- 29.2** Where you elect to make an Underpayment (including a Payment Holiday) you must contact us at least five Working Days prior to the day on which your Payment is due in order to alter your existing Direct Debit.
- 29.3** At any time during the Mortgage Term, where you have made an Underpayment, (including a Payment Holiday) you may request, either in writing or by telephone, that your usual monthly Payment is recalculated by us to take into account your Underpayment (or Payment Holiday).

## 30. Your Reservoir

- 30.1** In any month if you make an Overpayment, unless Condition 30.2 below applies, the amount available in your Reservoir will immediately increase by the amount that the Overpayment is more than the Payment due in that month.
- 30.2** Where, you make an Overpayment out of the proceeds of an assigned endowment policy, the amount available in your Reservoir will not increase.
- 30.3** In any month if you make an Underpayment (including a Payment Holiday), at the end of the calendar month the amount available in your Reservoir will be reduced by the amount that the Underpayment (or Payment Holiday) is less than the Payment due in that month.

## 31. Properties located in Scotland

This Condition only applies if your Property is located in Scotland: We, West Bromwich Building Society, having our Head Office at 2 Providence Place, West Bromwich B70 8AF, declare that for the purpose of Loans to be made and to be secured by a standard security over Property in Scotland, the standard conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended by the Redemption of Standard Securities (Scotland) Act 1971 (a copy of which standard conditions is attached to these Mortgage Conditions 2016) shall be varied by and are duly incorporated into these Mortgage Conditions 2016.

## 32. Meanings of words and expressions

The key words in these Mortgage Conditions 2016 shall have the following meanings:

- **“Bank of England Base Rate”** means the Bank of England Base Rate (or any successor rate) from time to time set by the Monetary Policy Committee of the Bank of England (or any successor body);
- **“Borrower”** or **“You”** or **“you”** or **“your”** means the person or persons named in and who has signed the Mortgage Deed and any person who may derive title from you being the same persons to whom the Offer of Loan is addressed;
- **“CCA”** means the Consumer Credit Act 1974;
- **“Charge”** or **“Charges”** means the charge, charges, costs, fees and expenses described in Condition 8;
- **“Early Repayment Charge”** means a charge that we may apply in the event that the amount of your Loan is repaid in full or in part before a date specified in your Offer of Loan. The amount of any Early Repayment Charge will be set out in your Offer of Loan;
- **“Final Repayment Date”** means the date on which the agreed Mortgage Term ends;
- **“Guarantor”** means the person or persons named as such in the Mortgage Deed and his personal representatives;
- **“Higher Lending Charge”** means a fee that we may charge where you are borrowing over 80% (or such other amount as we may specify from time to time) of the estimated value or purchase price of the Property (whichever is the lower);
- **“Insurance Policy”** means an insurance policy which insures the Property against fire and such other risks as we reasonably specify in such amounts as we reasonably require and with an insurer approved by us;
- **“Insurance Premium”** means any premium payable in respect of the Insurance Policy;
- **“Interest Only Loan”** means where the Loan you have been given by us is one by which you make payments of interest but do not repay any capital until the Final Repayment Date;
- **“Loan”** means each individual amount (including any further advances) owed by you under the Mortgage Deed to us which you have promised to pay and “loans” means any one or all of the Loans owed by you to us (where you have more than one loan) and includes the amount of any further advances and any interest, fees and Charges added to the Loan;
- **“Mixed Loan”** means where the Loan you have been given by us is a combination of an Interest Only Loan and a Repayment Loan;
- **“Mortgage”** means the legal mortgage or, in Scotland, standard security which secures the Loan the Mortgage Deed and/or the Loan, or where the context so applies the particular legal mortgage or standard security in which the Mortgage Conditions 2016 or any variation thereof are incorporated;
- **“Mortgage Conditions 2016”** means these Mortgage Conditions 2016 or any subsequent substitute mortgage conditions that have been issued by us and agreed in writing by you;
- **“Mortgage Deed”** means the Deed of legal Mortgage or, in Scotland, the standard security, which secures the Loan that you will sign before your Loan can be completed. The Mortgage Deed incorporates these Mortgage Conditions 2016, the Offer of Loan and the Standard Conditions of Offer;
- **“Mortgage Term”** means the length of time that you are given by us to pay off the Loan as specified in your Offer of Loan and which may vary from time to time in accordance with these Mortgage Conditions 2016;
- **“Offer of Loan Letter”** means the letter sent to you in which we offer to make the Loan and which contains an offer document setting out the costs, features, terms and conditions of the Loan;
- **“Offer of Loan”** means the offer of Loan made by us to you consisting of the Offer of Loan Letter, the Special Conditions of Offer and our Standard Conditions of Offer set out in section B of this booklet and including any matters that may have been specifically altered by us in writing to you;

- **“Ombudsman”** means the Financial Ombudsman Service and/or such other body, agency, entity or organisation whatsoever which shall succeed to or otherwise assume in whole or in part the responsibilities of the Financial Ombudsman Service;
- **“Overpayment”** means a payment you make which is in addition to or more than the Payment due in any month;
- **“Payment”** means the monthly Payment that you have to make as described in your Offer of Loan under the heading “What you will need to pay each month” (as may be varied from time to time in accordance with these Conditions);
- **“Payment Holiday”** means an Underpayment which is equal to the amount of your Payment;
- **“Planning Acts”** means all legislation in whatever jurisdiction the Property is now or at any time in force relating to Town and Country Planning or its equivalent;
- **“Policy”** means any life assurance or other policy, pension, savings or investment plan at any time forming part of the security for the Loan;
- **“Property”** means the property that you are putting up as security for your Loan as specified in the Mortgage Deed;
- **“Regulator”** means the Financial Conduct Authority (FCA) and/or the Prudential Regulation Authority (PRA) (as applicable) in the United Kingdom and any regulatory body or bodies which succeed(s) to one or more of the functions and/or duties performed by the FCA and/or PRA accordingly;
- **“Repayment Loan”** means where the Loan you have been given by us is one which you are repaying by a combination of capital and interest so that the capital is gradually repaid by the Final Repayment Date;
- **“Reservoir”** means the amount stated in the Offer of Loan which is available to you from time to time and which may change by making Underpayments and/or Overpayments in accordance with these Conditions;
- **“Rules”** means the Rules of the Society in force from time to time (including Rules adopted or amendments made after the date of your Offer of Loan);
- **“Special Conditions of Offer”** means the Special Conditions of Offer sent to you as part of the Offer of Loan Letter;
- **“Standard Conditions of Offer”** means the Standard Conditions of Offer sent to you as part of the Offer of Loan Letter;
- **“Standard Variable Rate”** means our published Standard Variable Rate of interest as may be updated from time to time and which is a variable rate of interest which is set internally by us;
- **“Tariff of Charges”** means our list of all the Charges, costs and expenses that are or may become payable by you under the terms of your Mortgage, a copy of which you will have been provided with together with your Offer of Loan and as may be varied in accordance with these Conditions;
- **“Underpayment”** means a payment you make which is less than the Payment due in any month, and which includes a Payment Holiday;
- **“We”, “we”, “us”, “our” and “Society”** means West Bromwich Building Society and its successors and any person to whom the Mortgage is transferred;
- **“Working Day”** means Monday to Friday inclusive, excluding bank or public holidays;
- Words importing gender include the masculine, feminine and neuter genders and reference to a person shall include reference to a company or group of companies;
- The singular includes the plural and the plural includes the singular;
- Where the Borrower or the Guarantor comprise more than one person the Mortgage Conditions 2016 apply to all of them together and to each of them on their own. This means that each person has full responsibility for paying the Loan and must comply with all of the Mortgage Conditions 2016;
- References to statute or statutory provisions are references to any Act of Parliament or its Northern Ireland or Scottish equivalent in force at the date of the Mortgage Deed and any change to it or any law replacing it;
- References to the Property are, where the context permits, to be construed in addition as references to any part of the Property.

In witness whereof these presents consisting of this and the 17 preceding pages are sealed with the Seal of the said West Bromwich Building Society and by authority of the Board of Directors are subscribed for and on its behalf by Ian Galliers, Legal and Regulatory Counsel and Neil Noakes, Group Secretary at West Bromwich on the 21st day of January 2016.

Ian Galliers

**Legal and Regulatory Counsel**

Neil Noakes

**Group Secretary**

These are the standard conditions contained in Schedule 3 of the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended, referred to in the foregoing Mortgage Conditions 2016:

**Conveyancing and Feudal Reform (Scotland) Act 1970 (as amended by the Redemption of Standard Securities (Scotland) Act 1971)**

**Schedule 3 - The Standard Conditions**

**Maintenance and repair.**

1. It shall be an obligation on the debtor:-

- (a) to maintain the security subjects in good and sufficient repair to the reasonable satisfaction of the creditor;
- (b) to permit, after seven clear days' notice in writing, the creditor or his agent to enter upon the security subjects at all reasonable times to examine the condition thereof;
- (c) to make all necessary repairs and make good all defects in pursuance of his obligation under head (a) of this condition within such reasonable period as the creditor may require by notice in writing.

**Completion of buildings etc. and prohibition of alterations etc.**

2. It shall be an obligation on the debtor:-

- (a) to complete, as soon as may be practicable, any unfinished buildings and works forming part of the security subjects to the reasonable satisfaction of the creditor;
- (b) not to demolish, alter or add to any buildings or works forming part of the security subjects, except in accordance with the terms of a prior written consent of the creditor and in compliance with any consent, licence or approval required by law;
- (c) to exhibit to the creditor at his request evidence of that consent, licence or approval.

**Observance of conditions in title, payment of duties, charges, etc., and general compliance with requirements of law relating to security subjects.**

3. It shall be an obligation on the debtor:-

- (a) to observe any condition or perform any obligation in respect of the security subjects lawfully binding on him in relation to the security subjects;
- (b) to make due and punctual payment of any ground burden, teind, stipend, or standard charge, and any rates, taxes and other public burdens, and any other payments exigible in respect of the security subjects;
- (c) to comply with any requirement imposed upon him in relation to the security subjects by virtue of any enactment.

**Planning notices, etc.**

4. It shall be an obligation on the debtor:-

- (a) where he has received any notice or order, issued or made by virtue of the Town and Country Planning (Scotland) Acts 1947 to 1969 or any amendment thereof, or any proposal so made for the making or issuing of any such notice or order, or any other notice or document affecting or likely to affect the security subjects, to give to the creditor, within fourteen days of the receipt of that notice, order or proposal, full particulars thereof;
- (b) to take, as soon as practicable, all reasonable or necessary steps to comply with such a notice or order or, as the case may be, duly object thereto;
- (c) in the event of the creditor so requiring, to object or to join with the creditor in objecting to any such notice or order or in making representations against any proposal therefor.

**Insurance.**

5. It shall be an obligation on the debtor:-

- (a) to insure the security subjects or, at the option of the creditor, to permit the creditor to insure the security subjects in the names of the creditor and the debtor to the extent of the market value thereof against the risk of fire and such other risks as the creditor may reasonably require;
- (b) to deposit any policy of insurance effected by the debtor for the aforesaid purpose with the creditor;
- (c) to pay any premium due in respect of any such policy, and, where the creditor so requests, to exhibit a receipt therefor not later than the fourteenth day after the renewal date of the policy;
- (d) to intimate to the creditor, within fourteen days of the occurrence, any occurrence which may give rise to a claim under the policy, and to authorise the creditor to negotiate the settlement of the claim;

- (e) without prejudice to any obligation to the contrary enforceable against him, to comply with any reasonable requirement of the creditor as to the application of any sum received in respect of such a claim;
- (f) to refrain from any act or omission which would invalidate the policy.

**Restriction on letting.**

6. It shall be an obligation on the debtor not to let, or agree to let, the security subjects, or any part thereof, without the prior consent in writing of the creditor, and 'to let' in this condition includes to sub-let.

**General power of creditor to perform obligations etc. on failure of debtor and power to charge debtor.**

7. (1) The creditor shall be entitled to perform any obligation imposed by the standard conditions on the debtor, which the debtor has failed to perform.
- (2) Where it is necessary for the performance of any obligation as aforesaid, the creditor may, after giving seven clear days' notice in writing to the debtor, enter upon the security subjects at all reasonable times.
- (3) All expenses and charges (including any interest thereon), reasonably incurred by the creditor in the exercise of a right conferred by this condition, shall be recoverable from the debtor and shall be deemed to be secured by the security subjects under the standard security, and the rate of any such interest shall be the rate in force at the relevant time in respect of advances secured by the security, or, where no such rate is prescribed, shall be the bank rate in force at the relevant time.

**Calling-up.**

8. The creditor shall be entitled, subject to the terms of the security and to any requirement of law, to call-up a standard security in the manner prescribed by section 19 of this Act.

**Default.**

9. (1) The debtor shall be held to be in default in any of the following circumstances, that is to say:-
- (a) where a calling-up notice in respect of the security has been served and has not been complied with;
  - (b) where there has been a failure to comply with any other requirement arising out of the security;
  - (c) where the proprietor of the security subjects has become insolvent.
- (2) For the purposes of this condition, the proprietor shall be taken to be insolvent if:-
- (a) he has become notour bankrupt, or he has executed a trust deed for behoof of, or has made a composition contract or arrangement with, his creditors;
  - (b) he has died and a judicial factor has been appointed under section 11A of the Judicial Factors (Scotland) Act 1889 to divide his insolvent estate among his creditors, or his estate falls to be administered in accordance with an order under section 421 of the Insolvency Act 1986;
  - (c) where the proprietor is a company, a winding-up order has been made with respect to it, or a resolution for voluntary winding-up (other than a members' voluntary winding-up) has been passed with respect to it, or a receiver or manager of its undertaking has been duly appointed, or possession has been taken, by or on behalf of the holders of any debentures secured by a floating charge, of any property of the company comprised in or subject to the charge.

**Rights of creditor on default.**

- 10.(1) Where the debtor is in default, the creditor may, without prejudice to his exercising any other remedy arising from the contract to which the standard security relates, exercise, in accordance with the provisions of Part II of this Act and of any other enactment applying to standard securities, such of the remedies specified in the following sub-paragraphs of this standard condition as he may consider appropriate.
- (2) He may proceed to sell the security subjects or any part thereof.
- (3) He may enter into possession of the security subjects and may receive or recover feu duties, ground annuals or, as the case may be, the rents of those subjects or any part thereof.
- (4) Where he has entered into possession as aforesaid, he may let the security subjects or any part thereof.
- (5) Where he has entered into possession as aforesaid there shall be transferred to him all the rights of the debtor in relation to the granting of leases or rights of occupancy over the security subjects and to the management and maintenance of those subjects.

- (6) He may effect all such repairs and may make good such defects as are necessary to maintain the security subjects in good and sufficient repair, and may effect such reconstruction, alteration and improvement on the subjects as would be expected of a prudent proprietor to maintain the market value of the subjects, and for the aforesaid purposes may enter on the subjects at all reasonable times.
- (7) He may apply to the court for a decree of foreclosure.

#### **Exercise of right of redemption.**

- 11.(1) The debtor shall be entitled to exercise his right (if any) to redeem the security on giving notice of his intention so to do, being a notice in writing (hereinafter referred to as a 'notice of redemption').
  - (2) Nothing in the provisions of this Act shall preclude a creditor from waiving the necessity for a notice of redemption, or from agreeing to a period of notice of less than that to which he is entitled.
  - (3) (a) A notice of redemption may be delivered to the creditor or sent by registered post or recorded delivery to him at his last known address, and an acknowledgment signed by the creditor or his agent or a certificate of postage by the person giving the notice accompanied by the postal receipt shall be sufficient evidence of such notice having been given.  
  
(b) If the address of the creditor is not known, or if the packet containing the notice of redemption is returned to the sender with intimation that it could not be delivered, a notice of redemption may be sent to the Extractor of the Court of Session and an acknowledgment of receipt by him shall be sufficient evidence of such notice having been given.  
  
(c) A notice of redemption sent by post shall be held to have been given on the day next after the day of posting.
  - (4) When a notice of redemption states that a specified amount will be repaid, and it is subsequently ascertained that the whole amount due to be repaid is more or less than the amount specified in the notice, the notice shall nevertheless be effective as a notice of repayment of the amount due as subsequently ascertained.
  - (5) Where the debtor has exercised a right to redeem, and has made payment of the whole amount due, or has performed the whole obligations of the debtor under the contract to which the security relates, the creditor shall grant a discharge in the terms prescribed in section 17 of this Act.
12. The debtor shall be personally liable to the creditor for the whole expenses of the preparation and execution of the standard security and any variation, restriction and discharge thereof and, where any of those deeds are recorded, the recording thereof, and all expenses reasonably incurred by the creditor in calling-up the security and realising or attempting to realise the security subjects, or any part thereof, and exercising any other powers conferred upon him by the security.

#### **Interpretation**

In this Schedule where the debtor is not the proprietor of the security subjects, 'debtor' means 'proprietor', except

- (a) in standard conditions 9(1), 10(1) and 12, and
- (b) in standard condition 11, where 'debtor' includes the proprietor.

West Bromwich Building Society

Head Office:

2 Providence Place,

West Bromwich B70 8AF.

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