

THE
FAMILY
BUILDING
SOCIETY

MORTGAGE CONDITIONS 2017

MORTGAGE CONDITIONS 2017

Relating to Mortgages of Freehold and Leasehold Property in England and Wales

Please read this booklet carefully and keep it safe so that you can refer to it in the future

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

This booklet contains the Conditions which apply to your Mortgage.

These Conditions are legally binding on you, the person (or persons) named in the mortgage deed as “the borrower”, and your guarantor if you have one.

These Conditions include important terms, including:

- how you must pay back your Mortgage to us - please see Condition 3. Unless we have agreed otherwise, you will be required to pay your Mortgage by way of monthly payments on the agreed payment date;
- if all or any part of the Mortgage is being repaid on an interest only basis, you will need to make separate arrangements to repay the outstanding capital at the end of the term - please see Condition 6;
- what happens if you do not make your repayments on time or do not repay the amount you still owe us at the end of the mortgage term. If this happens, we have the right to demand repayment in full, seek possession of the property and/or sell the property and use the proceeds of sale towards repayment of your Mortgage. If we sell the Property for less than the amount you owe us, we can recover the balance that is outstanding from you – please see Condition 13;
- your responsibility to ensure there is adequate insurance to cover loss and damage to the Property. This means that, among other things, you must pay your buildings insurance premiums on time - please see Condition 8;
- restrictions which apply to the Property - please see Conditions 9 and 10;
- if you fail to keep to your responsibilities under the Mortgage, we may use any savings you have with us to reduce the amount you owe us - please see Condition 18; and
- our right to transfer some or all of our rights under the Mortgage to anyone at any time without advance notice to you. Depending on the type of organisation the Mortgage is transferred to, the Rules of the Society may no longer apply - please see Condition 20.

In these Conditions we often use words or phrases that have special meanings. If a word or phrase is in bold, this means that it has the meaning shown in Condition 1.

For your own benefit and protection you should read these Conditions carefully. If you do not understand anything in this booklet, or any of the other documents we provide which relate to your Mortgage, please ask your legal adviser to explain them to you.

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1. DEFINITIONS AND INTERPRETATION

1.1 In these **Conditions**, unless the context requires otherwise:

“**Borrower**”, “**you**” and “**your**” means the person (or persons) named in the **Mortgage** as “the borrower” and includes all persons deriving title under **you**;

“**Conditions**” means these mortgage conditions;

“**Cost**” or “**Costs**” has the meaning set out in Condition 19;

“**Environmental Notice**” means any notice issued under the provisions of sections 78A to 78YC of the Environmental Protection Act 1990 or section 161A of the Water Resources Act 1991 which relates to the possible or actual contamination or pollution of the **Property** or any neighbouring property. (Among other things, these statutory provisions provide for action to be taken in the event of any contamination or pollution that originates on the **Property** and for liability for remedial works);

“**Further Advance**” means any sum of money lent by **us** under the **Mortgage** after the original loan. Any **Further Advance** is subject to these **Conditions** (subject to any changes made at that time) and any **Mortgage Offer** issued in relation to the **Further Advance**;

“**Guarantee**” means any guarantee given by a **Guarantor**;

“**Guarantor**” means any person who has agreed to guarantee all or part of the obligations of the **Borrower** under the **Mortgage**, and includes the **Guarantor’s** personal representatives if he or she should die. A **Guarantor** may or may not provide additional security;

“**Interest Charging Date**” means the date from which interest will be charged on the **Loan Amount**, which will be the date upon which the **Loan Amount** is released by **us**;

“**Interest Rate**” means the rate of interest applying for the time being to the **Loan Amount** or any part of the **Loan Amount** as set out in the **Mortgage Offer** and changed under Condition 5;

“**Loan Amount**” means each and every sum which **we** advance to **you** on the security of the **Mortgage** (including each and every **Further Advance** made after the date of the original loan);

“**Monthly Payments**” means the amounts calculated and notified to **you** in accordance with Condition 6;

“**Mortgage**” means any mortgage in which the **Conditions** are expressed to be incorporated and includes the **Conditions**;

“**Mortgage Account**” means the account which records the amount on which **we** charge **you** interest under these **Conditions**;

“**Mortgage Offer**” means **our** written offer (or offers if more than one applies) and any other documents, offers, notices or letters issued by **us** to **you** setting out the terms on which **we** will advance the **Loan Amount** to **you**;

“**Payment Date**” means the date in each month on which **you** must make the **Monthly Payment**. **We** will tell **you** what that date is after completion. Each subsequent **Payment Date** will occur on the same date of each subsequent month or such other date as **we** may agree with **you** in accordance with Condition 3.8;

“**Policy**” means any policy of life assurance which **we** require to be taken out or kept under the terms of any **Mortgage Offer** and any replacement policy;

“**Policyholder**” means any person who is the owner or joint owner of a **Policy**;

“**Property**” means the property described in the **Mortgage** and includes each and every part of such property and all fixtures and fittings;

“**Rebuilding Cost**” means the amount it would cost to completely rebuild the **Property** if it was destroyed beyond repair and includes the price of labour and materials. (The Building Cost Information Service (BCIS) of the Royal Institution of Chartered Surveyors produces a range of detailed guidance on the cost of rebuilding houses and flats. The Association of British Insurers has commissioned BCIS to provide general guidance to help **you** check the adequacy of the sum insured);

“**Related Rights**” has the meaning set out in Condition 16;

“**Repayment Strategy**” means any life assurance policy, pension plan or other investment or savings plan which **you** have chosen to pay off the **Loan Amount** on an interest-only loan at the end of the **Term**;

“**Rules**” means the Rules of the **Society** for the time being in force;

“**Society**”, “**we**”, “**our**”, “**ourselves**”, and “**us**” means Family Building Society, a trading name of National Counties Building Society, and includes any person (or persons) who takes over **our** business or the **Mortgage** (whether or not by outright transfer and whether in relation to all or part of the **Whole Debt**) and may at any time mean more than one of them;

“**Term**” in relation to each **Loan Amount** means the term for repayment specified in the **Mortgage Offer** or as subsequently agreed by **you** and **us** in writing;

“**Whole Debt**” means all moneys (including interest and **Costs**) which **you** owe **us** at any time under these **Conditions** or any **Mortgage Offer**; and

“**Year**” means each period of 12 months ending on 31 December or on such other date as **we** may notify to **you** from time to time in accordance with Condition 25.

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- 1.2 References to “person” include a body corporate.
 - 1.3 References to “month” and “monthly” mean a calendar month (e.g. January, February, March etc).
 - 1.4 References to “you” include the person or persons entitled to act in **your** place should **you** die, become insolvent or become unable to manage **your** affairs.
 - 1.5 Where there is more than one **Borrower**:
 - (a) “**you**” and “**your**” refer to both of **you** together and each of **you** separately;
 - (b) if any of **you** dies, becomes insolvent or becomes unable to manage his or her affairs this will not affect the liability of the remainder of **you**; and
 - (c) **your** liability to **us** is both joint and several which means that **we** can enforce **our** rights to payment against all of **you** together and each of **you** on **your** own for the **Whole Debt**.
 - 1.6 References to the masculine include the feminine and references to the singular include the plural, and the other way round in each case.
 - 1.7 References to any provision of any Act of Parliament include any alterations which are made to it and any provision which replaces it whether before or after the date of the **Mortgage**.

2. MEMBERSHIP OF SOCIETY AND RULES

- 2.1 If **you** are not already a member, **you** will automatically become a borrowing member of the **Society** when the **Mortgage** is completed.
- 2.2 Members of the **Society** are bound by the **Rules** (a copy of which is available from **our** website or by contacting **our** Principal Office). **You** agree to observe and perform the **Rules** while a member of the **Society**. In the event of any conflict between the **Rules**, any **Mortgage Offer**, the **Mortgage** and the **Conditions**, the following order of priority will prevail:
 - (a) the **Mortgage Offer**;
 - (b) the **Mortgage**;
 - (c) the **Conditions**; and
 - (d) the **Rules**.
- 2.3 If **your** membership of the **Society** arises solely out of the **Mortgage**, a transfer of the **Mortgage** by the **Society** under Condition 20 may result in **your** ceasing to be a member of the **Society**.

3. YOUR OBLIGATION TO PAY

- 3.1 **You** agree to repay **us** the **Whole Debt** by the end of the **Term** (if the **Whole Debt** has not become due earlier under the provisions of Condition 13.3 or Condition 3.4).
- 3.2 **You** agree to pay **us** the **Monthly Payments** on or before the **Payment Date** in every month, starting in the month following the one in which the **Loan Amount** is advanced to **you**.
- 3.3 On the first **Payment Date** **you** must also pay to **us**, if interest is not paid wholly in advance under Conditions 4.1(b) or 4.2(b), the interest due from **you** to cover the period from the **Interest Charging Date** up to and including the last day of the month in which the **Loan Amount** is advanced to **you**.
- 3.4 **We** may at any time require **you** on the expiry of three months’ written notice to repay the **Whole Debt**. **We** will only exercise this power if **we** reasonably believe or receive confirmation that **you** have been involved in fraudulent or serious criminal behaviour which is connected to the **Mortgage**.
- 3.5 Unless specified otherwise in the **Mortgage Offer**, all payments to **us** shall be made to such bank account as **we** may in writing notify to **you** or by such other method as **we** may agree with **you**.
- 3.6 If **we** enforce the security given by **you** and sell the **Property** and the net proceeds are insufficient to pay off the **Whole Debt** **you** will still be responsible for paying **us** the money **you** still owe **us**. **We** will continue to charge interest at the **Interest Rate** until such money has been paid to **us** in full.
- 3.7 **We** have the right to request satisfactory written evidence of **your** income and expenditure so that **we** can assess **your** ability to make the **Monthly Payments** at any time during the **Term**. This may include requests to review **your** arrangements to receive future pension income and requests for details of the **Repayment Strategy**, including sight of the **Repayment Strategy** documentation. However, **we** will act reasonably in exercising **our** rights.
- 3.8 **You** may ask to change the **Payment Date** at any time. **We** require a minimum of six days’ notice between the date **we** receive **your** request and the new **Payment Date** so **we** can set it up in time. Otherwise, the change will take effect from the following month.

4. INTEREST

4.1 If the interest method stated in the **Mortgage Offer** is “Annual Rests”:

- (a) **We** will charge, and **you** will pay, interest in each **Year**:
 - (i) on the amount of the **Whole Debt** outstanding on the last day of the preceding **Year**; and
 - (ii) on any sum which is advanced to or becomes owing from **you** during the **Year** as from the date on which it is advanced or becomes owing.
- (b) Interest will accrue from day to day throughout the **Year** and will be payable by **you** by equal monthly instalments on the **Payment Date** partly in advance and partly in arrear or wholly in advance or wholly in arrear (depending on the **Payment Date**). For this purpose, each month will be treated as one equal twelfth of a **Year**.
- (c) If any of the interest which **we** charge under paragraph (b) above remains unpaid at the end of the **Year** in which it accrues, it will then be added to the **Whole Debt** (which means that it will then be included in the amount on which **we** charge interest throughout the whole of the following **Year**).
- (d) Subject to the provisions of paragraph (e) below, a **Monthly Payment** or other amount which **we** receive for the credit of **your Mortgage Account** during the **Year** will not reduce the **Whole Debt** until the last day of the **Year**.
- (e) Subject to the terms of any particular **Mortgage Offer**, if **you** make a capital repayment, excluding any repayment of capital included in **your Monthly Payment**, the amount of the capital repayment will reduce the amount of the **Whole Debt** from the date of receipt and **we** will recalculate the **Monthly Payments** due accordingly.

4.2 If the interest method stated in the **Mortgage Offer** is “Monthly Rests”:

- (a) **We** will charge, and **you** will pay, interest in each month:
 - (i) on the amount of the **Whole Debt** outstanding on the last day of the preceding month; and
 - (ii) on any sum which is advanced or returned to **you**, or becomes owing from **you**, during the month, as from the date on which it is advanced, returned or becomes owing.
- (b) Interest will accrue from day to day throughout the month and will be payable by **you** in equal monthly instalments on the **Payment Date** partly in advance and partly in arrear or wholly in advance or wholly in arrear (depending on the **Payment Date**). For this purpose, each month will be treated as one equal twelfth of a **Year**.
- (c) **We** will recalculate and repay to **you** the interest charged in respect of any payment made by **you**, less the value of any outstanding charges or fees debited to the **Mortgage Account**, from the date of receipt until the last day of the month. **You** should note that this means that the later in the month **you** make **your Monthly Payment**, the more interest **you** will pay.

4.3 **You** will pay interest on the sums mentioned in Conditions 4.1(a) and 4.2(a) (whichever is applicable) at the **Interest Rate** both before and so far as is allowed by law after any court order **we** obtain for **you** to pay some or all of the **Whole Debt** to **us**.

4.4 If **you** do not pay the full **Monthly Payment**, then unless when **you** make any payment **you** require **us** to apply it in a particular way or unless **we** have to apply it in a particular way to comply with a regulatory requirement or regulatory guidance, **we** will apply sums received from **you** in the following order:

- (a) firstly, **we** will use them to reduce or discharge arrears;
- (b) secondly, **we** will use them to pay any **Costs** which have been added to the **Loan Amount** in accordance with Condition 19.3;
- (c) thirdly, **we** will use them to pay any interest; and
- (d) finally, **we** will use them to repay the **Loan Amount**.

4.5 For the purpose of calculating interest under these **Conditions** **we** will calculate interest to two decimal places.

4.6 **We** may at any time by not less than three months’ written notice to **you**, reduce the intervals at which **we** calculate the amount of the **Whole Debt** for the purposes of charging interest under this Condition 4 (for example from “Annual Rests” to “Monthly Rests” or “Monthly Rests” to “Daily Rests”) for any of the following reasons:

- (a) to make the way in which **we** charge interest fairer to **you**; or
- (b) to respond in a proportionate manner to changes in the law or interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice with which **we** intend to comply.

4.7 If the interval at which **we** calculate the amount of the **Whole Debt** for the purposes of charging interest is varied under Condition 4.6, Conditions 4.1 and 4.2 shall have effect as if the references to a **Year** or references to a month (as applicable) were references to the new period for charging interest.

5. CHANGES IN INTEREST RATE

- 5.1 Where **we** have agreed in the **Mortgage Offer** a fixed rate of interest for any period in respect of any **Loan Amount** **we** will not change the **Interest Rate** for that period without **your** agreement.
- 5.2 Where **we** have agreed a rate of interest which is linked to or tracks an independently set rate such as (but not limited to) the Bank of England Official Bank Rate (a "Reference Rate"), the **Interest Rate** will change in line with changes in the Reference Rate. The exact terms of any change will be set out in the **Mortgage Offer**. If the Reference Rate ceases to exist or be available **we** may, for the purpose of calculating the **Interest Rate**, select such other independently set rate in substitution for the Reference Rate as **we** may reasonably decide.
- 5.3 Where Conditions 5.1 and 5.2 do not apply, and subject to the terms of any particular **Mortgage Offer**, **we** can change the **Interest Rate** as follows:
- 5.3.1 **We** can reduce the **Interest Rate** at any time;
- 5.3.2 **We** can increase the **Interest Rate** at any time if **we** reasonably believe that the increase is needed for one or more of the following reasons (which may relate to circumstances existing at the time or which **we** reasonably expect to apply in the near future):
- (a) to respond, in a proportionate manner, to changes in the Bank of England Official Bank Rate or changes generally in interest rates charged by **our** competitors in the residential mortgage market;
 - (b) to enable **us** to maintain, in a proportionate manner, the competitiveness of interest rates paid to **our** savers or the providers of funds to **us**, while having regard to the interests of **our** borrowers and **our** business as a whole;
 - (c) to reflect, in a proportionate manner, any increase or reduction in costs reasonably incurred by **us** in operating **our** mortgage business;
 - (d) if it is necessary to maintain **our** financial strength in the interests of all **our** customers. Any change **we** make to the **Interest Rate** will be proportionate to the circumstances giving rise to the change;
 - (e) to enable **us** to harmonise, in a reasonable manner, having regard to the interests of all **our** borrowers, the interest rates being paid by **our** borrowers following any acquisition or transfer of mortgages or any takeover of, or merger with, another mortgage provider; or
 - (f) to respond, in a proportionate manner, to changes in the law or the interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice with which **we** intend to comply.
- 5.4 **We** will give **you** reasonable notice of any such change under Condition 5.2 and 5.3 before such change is to take effect in accordance with Condition 25.

6. MONTHLY PAYMENTS

- 6.1 **We** will calculate and notify to **you** in the **Mortgage Offer** the **Monthly Payments** which **we** require **you** to make.
- 6.2 In the case of a repayment mortgage, the **Monthly Payment** will consist of capital and interest and **we** will calculate **Monthly Payments** with a view to ensuring that the **Loan Amount** is repaid with interest by the end of the **Term**.
- 6.3 In the case of a non-repayment mortgage (such as an interest-only mortgage), the **Monthly Payment** will consist only of interest. The **Loan Amount** must be repaid by **you** to **us** at the end of the **Term** from some other source. It is **your** responsibility to ensure that **you** have sufficient funds to repay the **Loan Amount** in full at the end of the **Term**. It is **your** responsibility to review the **Repayment Strategy** regularly to ensure that **you** have sufficient funds to repay the **Loan Amount** at the end of the **Term**. If **your Repayment Strategy** does not produce enough money to repay the **Loan Amount** in full at the end of the **Term**, **you** will have to pay off the amount **you** still owe, yourself.
- 6.4 If the **Mortgage Offer** specifies more than one payment method, the **Monthly Payment** will be calculated partly under Condition 6.2 and partly under Condition 6.3, as applicable.
- 6.5 **We** may from time to time by reasonable advance notice in writing to **you** in accordance with Condition 25, change the **Monthly Payment** so as to take account of any of the following:
- (a) any increase or reduction in the **Interest Rate**;
 - (b) any change in the payment method from repayment to non-repayment (such as interest-only), or from non-repayment (such as interest-only) to repayment, provided **you** have agreed to the change;
 - (c) any change in the length of the **Term**, provided **you** have agreed to the change;
 - (d) any partial repayment by **you** of the **Loan Amount**;
 - (e) the release of any retention or reserve held by **us** under the **Mortgage Offer**; or
 - (f) any amount, or increase or reduction in such amount, which **we** may require to be paid in respect of a **Further Advance**, **Costs**, interest, arrears or any other sum owed to **us**.

7. CONSOLIDATION AND REDEMPTION

- 7.1 If **you** wish to repay the **Whole Debt** and redeem the **Mortgage**, **we** can require **you** to pay any money owed to **us** on any other account with **us**, including an account in respect of any other mortgage or charge unless the money is owed under an agreement regulated by the Consumer Credit Act 1974 which does not refer to the **Mortgage** as security. Accordingly, section 93 of the Law of Property Act 1925 shall not apply to the **Mortgage**. (Section 93 of the Law of Property Act 1925 enables a borrower to redeem one mortgage without paying the money secured by another, unless the mortgage provides otherwise). **We** will only exercise this right if **we** reasonably believe that otherwise **our** security for the other money **you** owe **us** would or might be insufficient.
- 7.2 Subject to Condition 7.1 and to any provision of the **Mortgage Offer**, **you** may repay the whole or any part of the **Whole Debt** at any time. The payment **you** make must include:
- (a) interest at the **Interest Rate** on the **Loan Amount** calculated up to and including the day of repayment;
 - (b) **our Costs** (if any) connected with such repayment;
 - (c) such interest (if any) in lieu of any period of notice as may be required under the **Mortgage Offer**; and
 - (d) other interest or charges (if any) provided for in **your Mortgage** or **Mortgage Offer**.
- 7.3 **We** will consent to the release from the **Mortgage** of any part of the **Property** provided **we** receive independent valuation evidence that the remainder will form adequate security for the balance owing under the **Mortgage**.

8. BUILDINGS INSURANCE AGAINST FIRE, EXPLOSIONS ETC.

- 8.1 Subject to Condition 8.2, **you** must insure the **Property** subject to such conditions as **we** may reasonably require. If **you** insure the **Property**, the following terms will apply throughout the **Term** of the **Mortgage**:
- (a) **we** must, acting reasonably, approve **your** choice of insurer;
 - (b) the buildings insurance must be in the joint names of **you** and **us** or **our** interest must be noted;
 - (c) **you** must keep the **Property** insured under a comprehensive policy of buildings insurance which:
 - (i) covers fire, subsidence, heave, landslip, aircraft, explosions (gas or otherwise), storm, flood, earthquake, impact, bursting/ leaking of water tanks or pipes, riot, vandalism, acts of malicious damage and such other risks which **we** reasonably specify; and
 - (ii) is for the full amount of the current **Rebuilding Cost**. This sum must be index-linked;
 - (d) any excess specified in the buildings insurance policy must be no more than the amount reasonably specified by **us**;
 - (e) **you** will show **us** proof when **we** ask for it that the policy is in force and that **you** are paying the premiums under it; and
 - (f) **you** must pay **our Costs** (if any) as set out in the **Mortgage Offer**.
- 8.2 **We** may insure the **Property** if **you** do not insure it under Condition 8.1, or if **you** do not keep to the terms of that Condition. If **we** insure the **Property**, the following terms will apply:
- (a) **we** will, acting reasonably, insure the **Property** at **your** expense;
 - (b) **we** will, acting reasonably, choose:
 - (i) the insurer;
 - (ii) the amount of the buildings insurance and any excess;
 - (iii) whether the buildings insurance is to be in **our** name alone or in the joint names of **you** and **us**;
 - (iv) the risks to be covered; and
 - (c) **you** must pay, or reimburse to **us**, all buildings insurance premiums paid by **us**.
- 8.3 If **you** hold the **Property** under a lease which requires the **Property** (and any buildings of which the **Property** forms part) to be insured, with insurers nominated in the lease or by the landlord, the following terms will apply instead of Condition 8.1 or Condition 8.2:
- (a) **you** must ensure that **our** interest is noted on the buildings insurance policy, either specifically or in the general interests clause; and
 - (b) **you** must do **your** best to ensure that:
 - (i) the **Property** is kept insured at all times throughout the duration of the **Mortgage** with a reputable insurer;
 - (ii) the buildings insurance is under a comprehensive policy;
 - (iii) the amount of the buildings insurance is not less than the current **Rebuilding Cost**;
 - (iv) any excess specified in the buildings insurance policy must be no more than the amount reasonably specified by **us**; and
 - (v) **you** will show **us** proof when **we** ask for it that the buildings insurance policy is in force.

8.4 The following terms apply whoever insures the **Property**:

- (a) it is **your** responsibility (not **ours**) to make sure that the amount of buildings insurance and risks covered are adequate;
- (b) **you** will not permit or do anything which may make the buildings insurance of the **Property** invalid;
- (c) **we** may retain, and are not required to account to **you** for, any commission on insurances arranged through any agency **we** hold;
- (d) **we** may require any insurance moneys to be applied in making good the insured loss or damage or in or towards repaying **your** indebtedness to **us**. **We** will not exercise this power in an unreasonable manner or without first seeking to consult with **you**;
- (e) if **you** receive any buildings insurance moneys **you** must hold them separate from **your** own moneys upon trust for **us** to be applied as mentioned in paragraph (d) above. Any surplus will be paid to **you** or any other person entitled to receive it. If the money is not sufficient to pay for the repairs or rebuilding in full **we** shall not be obliged to lend any more funds;
- (f) **we** may settle and negotiate all claims under the policy which concern the **Property** but **we** will act reasonably in doing so; and
- (g) **you** must tell **us** as soon as anything happens which may give rise to a claim under the policy.

9. PROVISIONS CONCERNING THE PROPERTY

9.1 **You** agree with **us** as follows:

- (a) without delay to provide **us** with any evidence **we** may reasonably require to establish that **your** obligations under the **Mortgage Offer** have been complied with;
- (b) to complete to **our** reasonable satisfaction any building which is at any time in course of erection on the **Property**;
- (c) to keep the **Property** in good repair and condition to **our** reasonable satisfaction and carry out and complete any building or repair work if it is needed to ensure the **Property** is in a good state of repair;
- (d) to observe and perform all legal obligations (if any) affecting the **Property** or its use and enjoyment and the tenant's obligations in the lease (if any) under which it is held;
- (e) punctually to pay all rates, taxes, rents, outgoings and other charges payable in respect of the **Property** and produce receipts for every such payment if required and reimburse **us** if **we** are required to pay any charges **you** should have paid;
- (f) not without **our** prior written consent (which will not be unreasonably withheld) to make or allow to be made any structural or material alteration or addition to the **Property** which would require planning permission, listed building consent or approval under any building regulations;
- (g) not to make or allow any change in the use of the **Property** which would require planning permission;
- (h) to comply in all respects with all statutes and subordinate legislation (including those relating to planning and environmental matters) which apply to the **Property** and be responsible in full for and immediately on demand reimburse **us** in respect of any reasonable loss, liability or cost incurred as a result of all or any breaches of such statutes or legislation;
- (i) to observe and perform all the requirements and regulations of the local and other authorities in respect of the **Property**;
- (j) to give **us** any information about the **Property** which **we** may reasonably ask for;
- (k) within seven days of **your** receiving any notice, order or proposal given made or issued by any competent authority or any third party concerning the **Property** to produce it to **us**, to give **us** written notice of any steps which **you** intend to take in response to the notice, order or proposal, to make any reasonable representations about it which **we** ask **you** to make and, unless **we** instruct **you** to the contrary, without delay to take all reasonable and necessary steps to comply with it;
- (l) not without **our** prior written consent (which will not be unreasonably withheld) to apply for any improvement or similar grant in respect of the **Property**; and
- (m) to execute in **our** favour in such form as **we** may require a legal mortgage over any new or increased interest **you** acquire in the **Property**.

9.2 **You** confirm and agree with **us** as follows:

- (a) **you** are in personal occupation of the whole of the **Property**, except any part comprised in tenancies to which **we** have consented, and that **you** will during the continuance of the **Mortgage** remain in such occupation;
- (b) except as disclosed under paragraph (a) above, no part of the **Property** is now let or agreed to be let;
- (c) to use and occupy the **Property** as **your** residence and for no other purpose, subject to the terms of any tenancies to which **we** have consented;
- (d) if the actual or the permitted use of any part of the **Property** or any neighbouring land owned by **you** is agricultural **you** will use the **Property** only as **your** private residence; and
- (e) **you** have not applied for any grant or benefit which might take priority over the **Mortgage**.

9.3 Notwithstanding any other provision in the **Mortgage**:

- (a) **we** are not entitled to require any works to be carried out or to carry out any works **ourselves** in either case where such works are required either to remedy any circumstances which could lead to the issue of an **Environmental Notice** or to comply with an **Environmental Notice**;
- (b) **you** will immediately notify **us** if **you** become aware of any circumstances which may lead to the issue of an **Environmental Notice** or if an **Environmental Notice** is issued and in either case **you** will provide written details of the steps **you** intend to take to remedy the circumstances or comply with the **Environmental Notice**;
- (c) if **you** have given **us** notice under Condition 9.3(b) above **you** will permit **us** to inspect the **Property** at any reasonable time (and where practicable, upon reasonable notice) and to take samples or make trial pits or boreholes; and
- (d) **you** will not knowingly create or allow another person to create any circumstances which could lead to the issue of an **Environmental Notice**.

10. RESTRICTION ON LETTING ETC.

10.1 The powers conferred on **you** by statute to lease, agree to lease and accept surrenders of leases will not apply to the **Mortgage**.

10.2 **You** will not without **our** prior written consent (which **we** will give unless it is reasonable for **us** to refuse it):

- (a) grant or agree to grant or renew any lease or tenancy of the **Property** or part with or share possession of the **Property**;
- (b) grant any other rights in the **Property** which might reduce the value of it;
- (c) allow anyone to acquire any rights in the **Property**;
- (d) permit anyone to give up their right to a lease or tenancy of the **Property**;
- (e) change the use of the **Property**; or
- (f) allow the **Property** to be used for a trade or business.

10.3 As a condition of giving **our** consent **we** may impose reasonable conditions while any letting or other change continues. Such conditions may include, but are not limited to, an increase in the **Interest Rate** by up to 1.5% to reflect the changed nature of the lending and the additional lending risk.

11. TRANSFER OF THE PROPERTY SUBJECT TO THE MORTGAGE

11.1 **You** may, subject to these **Conditions** and **our** consent (on which **we** may impose reasonable conditions), sell or transfer the **Property** subject to the **Mortgage**.

11.2 On such a sale or transfer, **you** must pay to **us** all sums then owing (or such lesser amount as **we** may decide) subject to the **Mortgage**.

11.3 From the date of the transfer, the purchaser or transferee will become responsible to **us** for all **your** liabilities arising under these **Conditions** and the **Mortgage**. If so, **we** may release **you** at **your** expense. **We** will not register the transferee in **our** records nor release **you** from **your** obligations to **us** unless:

- (a) the requirements of Conditions 11.1 and 11.2 above have been fulfilled; and
- (b) the deed by which the land has been transferred and such further deeds, if any, as **we** may require has/have first been approved by or on behalf of **us**, without cost to **us**; and
- (c) such deed or deeds has/have been deposited with **us**.

12. GUARANTORS

12.1 **Your Mortgage Offer** may require **you** to provide a **Guarantor** for your **Mortgage**. The **Guarantor** agrees to this Condition 12.

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

12.2 If there is a **Guarantor**, then the following provisions apply:-

- (a) Subject to any provision of the **Mortgage Offer**, the **Guarantor** agrees with the **Society** to be equally as responsible as **you** for all **your** obligations to **us** under the **Mortgage**, and to pay **us** on demand any sums of money due from **you** under the **Mortgage** but unpaid, including all amounts comprising the **Whole Debt**.

- (b) Any arrangements that **we** make with **you** will not affect the obligations of the **Guarantor** under the **Guarantee**. In particular, the liability of the **Guarantor** will not be affected if any of the following applies:
 - (i) **we** have made a previous demand, or the **Guarantor** has made a previous payment;
 - (ii) **we** allow **you** or the **Guarantor** additional time to make any payment or any other concession;
 - (iii) **we** take any other security in relation to the **Whole Debt** or any such security is not enforceable for any reason;
 - (iv) **you** (or any of **you**) or any person comprising the **Guarantor** dies, becomes insolvent or incapable of managing their affairs; or
 - (v) anything else happens, or any action is taken or not taken, which might (apart from this Condition) affect the liability of the **Guarantor**.
- (c) The **Guarantor** does not have any rights or interests in any money held by **us** or acquired by **us**, whether from **you** or any other source, towards the reduction of the **Whole Debt**.
- (d) The **Guarantor** agrees:
 - (i) not to share in any security **we** have or take any security from **you** or any other person in connection with the **Guarantee**;
 - (ii) not to enforce any right or pursue any claim against the **Borrower** or any other persons in respect of the **Mortgage**; and
 - (iii) not to make any claim which would compete with **ours**, unless and until the **Whole Debt** has been repaid in full.
- (e) The **Guarantor** will not be responsible for any **Further Advance** unless the **Guarantor** has consented to that **Further Advance** in writing.
- (f) Unless the **Guarantor** agrees otherwise, the **Guarantor's** liability is limited to the amount of the original loan together with all interest and **Costs** forming part of the **Whole Debt**, which relate to that loan.
- (g) If there is more than one **Guarantor**, each **Guarantor** is separately responsible for the whole of the obligations and liabilities of the **Guarantor** under these **Conditions**.
- (h) **Our** rights against any **Guarantor** are independent of, and additional to, any other security **we** have for the **Whole Debt**. **We** do not have to use **our** rights in respect of any other security before using **our** rights to claim against the **Guarantor**.
- (i) No failure or delay by **us** in using any of **our** rights against the **Guarantor** will prevent **us** from using those rights in the future.
- (j) **You** consent to **our** providing information about the **Mortgage** to the **Guarantor**.

13. ACTION WE MAY TAKE

- 13.1 For the purposes of the Law of Property Act 1925, the **Whole Debt** will be treated as due and the statutory power of sale (as extended by these **Conditions**) and the other powers contained in section 101 of that Act will arise, one month after the date of the **Mortgage**. However, this does not mean that **we** can immediately require **you** to pay the **Whole Debt**. **We** can only do that when Condition 3.4 or Condition 13.3 applies.
- 13.2 The statutory power of sale applies to the **Mortgage** free from the restrictions in section 103 of the Law of Property Act 1925. (Section 103 of the Law of Property Act 1925 provides that a mortgagee shall not exercise its power of sale unless and until certain conditions have been met, but does not require that the **Whole Debt** should have become immediately due and payable).
- 13.3 If any of the following events occur then notwithstanding any other provisions of these **Conditions** the **Whole Debt** shall immediately become due and payable if:
 - (a) **you** fail to pay to **us** a sum or sums equal in total to two **Monthly Payments**;
 - (b) **you** fail to observe and perform any of **your** material obligations (other than for payment of the **Monthly Payments**) contained in the **Mortgage Offer** or the **Mortgage** (and, if the breach is capable of remedy, **you** have failed to remedy the breach within a reasonable time of **us** requesting **you** to do so);
 - (c) **we** serve notice upon **you** under Condition 3.4;
 - (d) (being an individual) **you** apply for an interim order or enter into any composition or arrangement with or for the benefit of **your** creditors generally or a bankruptcy order is made against **you** or **your Guarantor**, or **you** have an administrator or receiver appointed over all or any part of **your** assets;
 - (e) the **Property** is compulsorily purchased or requisitioned;
 - (f) **you** hand over possession of the **Property** to **us**;
 - (g) the **Property** is abandoned;

- (h) **you** knowingly gave **us** information in connection with **your** application for the **Mortgage** which was materially incorrect or **you** knowingly did not tell **us** something material and had **you** given **us** the correct information or provided **us** with complete information, **we** would not have granted the **Mortgage** to **you**; or
- (i) it becomes clear that **our** security over the **Property** under the **Mortgage** is void or liable to be set aside or otherwise unenforceable.

13.4 At any time after the **Whole Debt** has become due and payable **we** may:

- (a) take possession of the **Property**;
- (b) appoint a receiver of the income of the **Property** or for any part of it. A receiver is someone **we** can appoint to manage the **Property** for **us**. Although **we** would appoint the receiver, he would act for **you** (not **us**) and **you** would have to pay his fees;
- (c) sell the **Property** (whether or not **we** have taken possession);
- (d) let, licence, or agree to let or licence the **Property** on any reasonable terms whether or not the Law of Property Act 1925 would otherwise permit that letting or licence agreement;
- (e) agree to any reasonable change in the terms of any lease or tenancy of the **Property**;
- (f) accept a surrender of any lease or tenancy of the **Property**; and
- (g) exercise all the other powers given to mortgagees by the Law of Property Act 1925.

13.5 After taking possession of the **Property** **we** or any receiver appointed by **us** may, as **your** agent and at **your** expense:

- (a) carry out any repairs, renewals or improvements to the **Property**; and
- (b) remove, store, sell or otherwise deal with any goods or animals which **you** have not removed from the **Property**. **We** will not be responsible for any loss caused by **us** in so doing unless **we** fail to take reasonable care. **We** will account to **you** for all proceeds received less all expenses reasonably incurred in so acting.

13.6 **We**, and any receiver appointed by **us**, may in the exercise of **our** / his powers under this **Mortgage** employ and pay agents who shall be **your** agents and **you** will be responsible for paying for their services at such rates as **we**, or any receiver, may reasonably agree.

13.7 Where the **Property** has been let furnished, **we**, or any receiver, may apply all the rent as if it were rent of the **Property** and need not make any apportionment of such rent in respect of any furniture or goods.

14. FURTHER PROVISIONS RELATING TO A RECEIVER APPOINTED BY US

14.1 **We** may appoint a receiver where Condition 13.4 applies, or if **you** ask **us** to appoint one.

14.2 Any receiver appointed by **us** will not be one of **our** employees.

14.3 A receiver may charge such amount for his services as **we** reasonably agree with him.

14.4 **We** may remove the receiver at any time and appoint another in his place if **we** reasonably think this is necessary.

14.5 The receiver will have the following powers (in addition to those given to receivers by the Law of Property Act 1925):

- (a) to take possession of the **Property**;
- (b) to sell the **Property**;
- (c) to let the **Property** on any reasonable terms (but without any other restrictions on the nature, terms and length of the lease, or on the rent due);
- (d) to allow anyone who holds a lease of the **Property** to give up their rights under the lease on any reasonable terms;
- (e) to agree to any reasonable change, extension or renewal of any lease under which the **Property** is let;
- (f) to act as manager of the **Property**;
- (g) to insure the **Property** on the same terms as **we** could insure it under Condition 8;
- (h) to complete any unfinished buildings on the **Property**;
- (i) if the **Property** is held under a lease:
 - (i) to agree any reasonable change, extension or renewal of the lease; and
 - (ii) to exercise any right, acting reasonably, which **you** have to renew or extend the lease, or to acquire the freehold or an interest in it; and
- (j) to do any other acts or execute any deed or document in **your** name which the receiver may consider incidental or conducive to any of his powers or the management and realisation of the **Property**.

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- 14.6 **We** may exclude or limit any of the powers in Condition 14.5 at the time when **we** appoint the receiver or later.
- 14.7 Section 109(8) of the Law of Property Act 1925 shall be amended so as to allow a receiver to use any money he receives from exercising his powers in such order of priority as he reasonably thinks fit.
- 14.8 Any receiver appointed by **us** will act as **your** agent and **you** will be solely responsible for the receiver's acts or defaults.

15. OUR POWER TO ENTER AND REPAIR ETC.

- 15.1 While the **Mortgage** continues **you** will permit **us** and **our** agents, after reasonable notice, to enter and inspect the **Property**.
- 15.2 Following such inspection **we** may give **you** notice of any defects **we** or **our** agents find in the condition and state of repair of the **Property**. **You** will remedy any such defect in the repair or condition of the **Property** within such reasonable time as **we** may require.
- 15.3 If **you** fail to remedy any such defect within the required time, or if **you** are in breach of any other obligation in these **Conditions** as to the carrying out of any works on the **Property** or the doing of any other act or thing, then **we** or any receiver appointed by **us** may enter upon the **Property** with workmen and others and may remedy such defect or breach and recover the reasonable cost of doing so from **you** as set out in Condition 19.3.
- 15.4 If **we** or **our** agents enter the **Property** or exercise any power under this Condition 15, it does not mean that **we** have taken possession of the **Property**.

16. RELATED RIGHTS

- 16.1 In this Condition 16 "**Related Rights**" means:
- (a) any option to purchase the freehold or superior leasehold or a new lease of the **Property**;
 - (b) any right to receive money which becomes payable in respect of the **Property** or following any damage to or reduction in the value of the **Property** including money payable for mining subsidence or compulsory purchase;
 - (c) any share or membership rights in a residents' association or management company relating to the **Property**;
 - (d) any guarantees or insurances relating to the **Property** including guarantees for work done to the **Property**; and
 - (e) any other benefit or right of any kind relating to the **Property** or its construction or the title to the **Property**.
- 16.2 As further security for the moneys and liabilities secured by the **Mortgage** **you** transfer the **Related Rights** to **us** and agree (so far as **you** are able to) that **we** have full power to receive, exercise and deal with all the **Related Rights** as if **we** were absolutely entitled to them.
- 16.3 If **you** receive any money in respect of any **Related Rights** **you** will hold it on trust for **us**.
- 16.4 Any proceeds arising from the **Related Rights**, after deducting all **Costs** incurred by **us**, will be applied in reducing the **Whole Debt**, and any surplus will be paid to **you** or any other person then entitled to the surplus.

17. WHEN WE CAN ACT ON YOUR BEHALF

- 17.1 **We** may need to take certain action (including signing documents) on **your** behalf to protect **our** security. **You** therefore appoint **us** to be **your** attorney to take such action where necessary. This means **we** are legally entitled to act on **your** behalf. **You** therefore irrevocably appoint **us**, and as a separate appointment any receiver appointed by **us**, to be **your** attorney with the following powers:
- (a) to receive any money payable to **you** in connection with the **Property**, the **Related Rights**, the insurance of the **Property** or the **Policy**;
 - (b) to exercise or enforce any rights in respect of the **Property** which **you** may be entitled to exercise or enforce against any person, authority or body; and
 - (c) to transfer any share or other membership right which **you** hold in any management company or residents' association connected with the **Property**.
- 17.2 The attorney may, in **your** name and on **your** behalf, execute and deliver any deed or document, exercise any rights or powers which **you** have in respect of the **Property** or the **Related Rights** and do anything else which **we** reasonably think or the receiver reasonably thinks is necessary or desirable to protect **our** security under this **Mortgage**, or to exercise any powers contained in the **Mortgage**, or to preserve the **Property** or the **Related Rights** or their value.
- 17.3 If there is more than one of **you**, the attorney will act for all of **you** together and each of **you** separately.
- 17.4 **You** cannot cancel the appointment in Condition 17.1 until the **Whole Debt** has been repaid in full.

18. SET OFF

- 18.1 If at any time the **Whole Debt** has become due and payable, under Condition 13.3 or Condition 3.4, **we** may use the money held by **you** in any savings or current account **you** have with **us** in **your** sole name or jointly with another person or persons, to reduce the **Whole Debt**. This is known as **our** right of set off. **We** will not use **our** right of set off in relation to money in any savings or current account **you** have with **us** if **we** have reasonable grounds to think that any of the following apply:
- (a) the money is needed to meet **your** essential living expenses or payments due in respect of:
 - mortgage or rental payments on **your** home;
 - **your** essential goods or services (such as payments due in respect of **your** cooker or refrigerator or **your** means to travel to work);
 - utilities (water, gas or electricity);
 - court orders or any other legal obligation (for example, council tax, child support maintenance or court fees);
 - (b) **you** are holding the money on behalf of someone else; or
 - (c) **you** have received the money from a government department, local authority or NHS direct payment organisation for a specific purpose, or **you** are under a legal obligation to keep the money and use it in a particular way.
- 18.2 If **we** propose to use **our** right of set off in relation to the **Mortgage** **we** will contact **you** at least 14 days beforehand to tell **you** this.
- 18.3 If **we** use **our** right of set off in relation to the **Mortgage** **we** will contact **you** promptly to tell **you** that **we** have done so.

19. COSTS

- 19.1 In these **Conditions**, “**Cost**” or “**Costs**” means all costs and expenses (including **our** internal costs and third party expenses and full legal costs so long as they are of a reasonable amount and reasonably incurred) which **we** incur in connection with the **Mortgage** including (but not limited to) the examples given in Condition 19.2.
- 19.2 (a) Where the **Cost** arises because **you** ask **us** to provide a document or service in connection with the **Mortgage**, whether to **you** or anyone else, the amount of the **Cost** **we** charge **you** will be as set out from time to time in **our** tariff of charges. Examples of activities **we** may charge for under this paragraph include (but are not limited to):
- (i) supplying or copying deeds or documents to **you** or anyone acting for **you**;
 - (ii) discharging the **Mortgage**;
 - (iii) releasing the **Property** or the **Related Rights** from **our** security;
 - (iv) processing **your** application for any loan agreement or for any change in the terms of the **Mortgage Offer**;
 - (v) giving **you** any assistance or information in connection with the **Property**, the **Mortgage Offer** or the **Mortgage**; and
 - (vi) checking that any insurance of the **Property** that **you** have arranged is adequate for **our** purposes.
- (b) Where **we** incur a **Cost** to safeguard **our** security or because **you** fail to fulfil an obligation **you** have under the **Mortgage Offer** or the **Mortgage** **you** must pay **us** all reasonable **Costs** which **we** reasonably incur to protect **our** position or as a result of **your** failure. Where **we** are able to make a genuine pre-estimate of the expenses **we** are likely to incur, the amount of the **Cost** **we** will charge will be set out from time to time in **our** tariff of charges and will be limited to this amount but otherwise will be unlimited in amount. Examples of activities **we** may charge for under this paragraph include (but are not limited to):
- (i) bringing or defending any legal proceedings relating to the **Mortgage** (this applies whether or not **you** are a party to the proceedings);
 - (ii) exercising any of the rights or powers given to **us** by statute or these **Conditions**;
 - (iii) recovering any of the **Whole Debt**;
 - (iv) protecting or preserving **our** security; and
 - (v) insuring the **Property**.
- 19.3 **We** will tell **you** when **you** have incurred a **Cost** and the amount of the **Cost**. **You** must pay **our** **Costs** in full. If **you** do not pay the **Cost** within a reasonable time of **us** requesting **you** to make payment, **we** may add it to the **Loan Amount** and charge interest on it at the **Interest Rate**.
- 19.4 **We** can at any time change or add to the **Costs** set out in **our** tariff of charges if it is to **your** advantage (for example if **we** reduce or abolish any **Cost**) or for any one or more of the following reasons (which may relate to circumstances existing at the time or those which **we** reasonably expect to apply in the near future):
- (a) to reflect, in a proportionate manner, changes in the costs and expenses which **we** reasonably incur in carrying out the relevant activities;

- (b) to enable **us** to harmonise in a reasonable manner, having regard to the interests of all **our** borrowers, the **Costs** concerned following any acquisition or transfer of mortgages or any takeover of, or merger with, another provider; or
 - (c) to respond, in a proportionate manner, to changes in the law or the interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice with which **we** intend to comply.
- 19.5 Where **we** change or add a **Cost** under Condition 19.4, **we** will include this in **our** tariff of charges and **we** will provide details of **our** current tariff of charges at least once a year.
- 19.6 **We** have sent **you** a copy of **our** tariff of charges with the **Mortgage Offer**. **You** can find out about **our** current tariff of charges at any time by contacting **us**, for example, by telephone or looking on **our** website.

20. OUR POWER TO TRANSFER THE WHOLE DEBT, THE MORTGAGE AND OTHER SECURITY

- 20.1 **We** may at any time in **our** discretion and without obtaining **your** consent or the consent of anyone else where **we** reasonably believe it is necessary by giving **you** reasonable notice, transfer to any other person (the transferee) all or any part of the **Whole Debt**, the **Mortgage** and any related security. **We** will only transfer **our** rights if such a transfer results in **your** rights under the **Mortgage** being the same, or better, than they were immediately before the transfer.
- 20.2 Such a transferee may or may not be a building society or an associated body of a building society. If **we** transfer all of **our** rights under the **Mortgage** to a transferee that is not a building society, the **Rules** will no longer apply.
- 20.3 Unless the terms of the transfer state otherwise, a transferee of the **Mortgage** will be able to exercise all the rights, powers and remedies which **we** could exercise before the transfer.
- 20.4 **You** acknowledge that **you** will be bound to any such transferee in respect of the transferred obligations to the same extent as **you** were originally bound to **us** and **we** may release to any such transferee any information **we** hold about **you**, the conduct of **your** account and any related securities.
- 20.5 **You** will be bound by any statement of fact which **we** make in the terms of the transfer unless **we** made the statement without taking reasonable care.
- 20.6 This Condition does not apply to a transfer of the **Mortgage** on a merger between building societies or on a transfer of business by a building society to a company.

21. POLICIES

- 21.1 Each **Policyholder** executing the **Mortgage** or other document relating to the **Policy** appoints **us** to be his attorney and in his name to assign, transfer, give up or deal with the **Policy** and collect the **Policy** moneys.
- 21.2 **You** and every **Policyholder** agree with **us**:
- (a) not to allow the **Policy** to become void or liable to be set aside or allow anything to happen which prevents **us** from receiving the **Policy** moneys;
 - (b) if the **Policy** becomes liable to be set aside, to do everything **you** reasonably can to maintain it;
 - (c) if the **Policy** becomes void, to do everything **you** reasonably can to effect, or enable **us** to effect, in **our** name or in such other name as **we** may nominate (acting reasonably) a new **Policy** on the same life and for the same amount as the old **Policy**; and
 - (d) to pay all premiums punctually and produce receipts if required or (alternatively) comply with any arrangements for paying premiums to **us** for transmission by **us** to the insurers.
- 21.3 If **you** or any **Policyholder** fails to keep up the **Policy** **we** may do so and the expense of doing so will be recoverable from **you** as a **Cost** as set out in Condition 19.3.
- 21.4 Once the **Whole Debt** has become due and payable **we** may, instead of selling the **Policy**, give up the **Policy** to the insurers or exchange it for a fully-paid up policy or make such other arrangements with the insurers as **we** reasonably think fit.
- 21.5 When **we** receive the **Policy** moneys **we** will apply these in reduction of the **Whole Debt** and any surplus will be paid to **you** or any other person then entitled to it.
- 21.6 Where the **Policyholder** is or includes a person other than **you**, **our** rights in respect of the **Policy** will not be affected by any time or other concession which **we** allow **you** and the **Policyholder** waives all rights in respect of the **Policy** until the **Whole Debt** has been repaid in full.

22. DATA PROTECTION

- 22.1 By taking out a **Mortgage** with **us**, **you** should understand that any information **you** or others supply to **us** will be processed and retained on computer and other records and will be kept after **your Mortgage Account** is closed for as long as is necessary to comply with statutory or legal obligations or for audit purposes.
- 22.2 Personal information **you** or others supply to **us** may be used by **us** in a number of ways, including (but not restricted) to:
- (a) verify **your** identity;
 - (b) make a lending decision;
 - (c) communicate information about **your Mortgage** and any other service in which **you** have expressed an interest;
 - (d) collect repayment of **your Mortgage**;
 - (e) otherwise administer **your Mortgage Account**;
 - (f) prevent fraud and financial crime;
 - (g) investigate and resolve a complaint;
 - (h) carry out statistical analysis and regulatory reporting; and
 - (i) for audit purposes.
- 22.3 **We** may share information about **you** with other persons for the purposes described above, including (but not restricted to):
- (a) **your** legal adviser, financial adviser, building insurance provider or other professional advisers;
 - (b) any **Guarantor** or potential **Guarantor** (or their legal advisers);
 - (c) any person who carries out a valuation of the **Property** for mortgage purposes;
 - (d) credit reference agencies;
 - (e) fraud prevention or law enforcement agencies;
 - (f) mortgage indemnity companies;
 - (g) organisations that may assist with processing or administering the **Mortgage**, so long as they keep the information confidential;
 - (h) **our** professional advisers and auditors;
 - (i) **our** regulators;
 - (j) any third party to whom **we** transfer or may transfer **our** interest in the **Mortgage** or their advisers, to assist such a third party in deciding whether to proceed;
 - (k) any other person having a legal right to the information; or
 - (l) if the disclosure is in the public interest.
- 22.4 **You** have certain rights in relation to **your** personal information such as the right to access or to update / correct **your** personal information. If **you** would like further details or **you** are unhappy with how **we** have treated **your** information, please contact **us**. If **we** are unable to resolve **your** complaint, **you** have the right to refer the matter to the Financial Ombudsman Service or to the Information Commissioner's Office.

23. GENERAL

- 23.1 If **we** decide to relax or not to enforce any of **our** rights under the **Mortgage** or these **Conditions**, this will not adversely affect or restrict any of **our** rights or powers under the **Mortgage**.
- 23.2 If **you** fail to comply with any of these **Conditions** or any other term of the **Mortgage** and **we** agree to take no action, **we** will still be able to take action if **you** fail to comply with any of these **Conditions** or any other term of **your Mortgage** in the future.
- 23.3 Each of the provisions and sub-provisions of the **Mortgage** is separate and distinct from the others and if at any time any one or more of such provisions or sub-provisions becomes illegal, invalid or unenforceable, this will not impair or affect the legality, validity or enforceability of the remaining provisions.
- 23.4 Laws and regulations imply certain terms into **our** agreement with **you**. For example, as well as the powers set out in these **Conditions**, **we** and **you** both have some other legal rights. Unless these **Conditions** explicitly disapply those rights, they will be applicable to **you** or **us**.

- 23.5 The Contracts (Rights of Third Parties) Act 1999 does not apply to the **Mortgage** or these **Conditions**. This means that it will not be possible for a person who is not a party to these **Conditions** to take the benefit of it or enforce any of its terms.
- 23.6 **We** may change, remove or add to any part of these **Conditions** at any time if it is reasonable to do so for any of the following reasons:
- (a) to correct any errors in a way that is not detrimental to **you**;
 - (b) to make them easier to understand or fairer to **you**;
 - (c) to respond in a proportionate manner to changes in the law or interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice with which **we** intend to comply;
 - (d) to take account, in a proportionate way, of changes to general banking or building society practice for the benefit of consumers as a whole.

We will, where practicable, give **you** three months' written notice of any such changes in accordance with Condition 25.

24. COMPLAINTS

- 24.1 Although **we** are committed to providing **you** with a first class service **we** recognise that there may be an occasion when **you** feel that **we** may not have done this and **you** wish to make a complaint. If **you** wish to make a complaint or would like more information about **our** complaints procedure, please let **us** know by phone, post, email or via the "Contact Us" page on **our** website.
- 24.2 **We** will always try to resolve any complaint speedily and at the earliest possible stage. However, if **you** are not satisfied with **our** response, or **we** have not been able to resolve **your** complaint within eight weeks, **you** may be able to refer **your** complaint to the Financial Ombudsman Service. The Financial Ombudsman Service provides a free, independent, complaint resolution service. Details about their service and how to refer a complaint to them can be found on their website at www.financial-ombudsman.org.uk or by phoning them on 0800 0 234 567 or 0300 123 9 123.

25. NOTICES

- 25.1 Any demand or notice by **us** shall be sufficiently served on **you** if in writing, addressed to **you** and sent:
- (a) by prepaid post to **your** address last known to **us** or, if **we** have reason to believe it will not reach **you** at that address, the **Property**; or
 - (b) by email to any email address **you** have given **us** for this purpose.
- 25.2 Where **we** send any such demand or notice it will be considered as received by **you** as follows:
- (a) 72 hours after posting (regardless of class of post); or
 - (b) the day the email is sent.
- 25.3 Where there are joint **Borrowers** at the same address notice given to one of **you** will be deemed given to all of **you**.
- 25.4 **We** do not have to give **you** personal notice in circumstances when **we** would normally do so, whether as a result of these **Conditions** or otherwise, if **we** have a good reason to believe that **you** will not receive the notice.
- 25.5 **You** may give notice to **us** by sending it by prepaid post or delivering it to **our** Secretary at **our** Principal Office. If **you** post a notice to **us**, it will be deemed served on **us** 72 hours after posting.

26. COMMUNICATIONS

- 26.1 **Our** communications with **you** will be in English.
- 26.2 Unless a demand or notice under Condition 25 is expressly provided for, as an alternative **we** may communicate with **you** by letter, telephone, email, text or any other form of communication to which **you** have agreed. Where **we** can **we** will let **you** choose how **you** want **us** to contact **you**, for example by email or online or by post.
- 26.3 **We** may monitor and record phone calls to and from **us**. **We** may do this to check any instructions **you** give **us** and to help train **our** staff. **We** may keep any emails sent to or from **us**. **We** will do this to check what was written and also to help train **our** staff.

27. LAW

- 27.1 The **Mortgage** will be governed by English law and **you** agree to submit to the non-exclusive jurisdiction of the English courts.

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This leaflet can be provided in alternative formats on request.



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