

THE  
**FAMILY**  
BUILDING  
SOCIETY

**FAMILY MORTGAGE  
COLLATERAL CHARGE  
CONDITIONS 2017**

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### PLEASE READ THIS BOOKLET CAREFULLY AND KEEP IT SAFE SO THAT YOU CAN REFER TO IT IN THE FUTURE

This booklet contains the Conditions which apply to the Collateral Mortgage you give us as security for a Family Mortgage Loan.

These Conditions are legally binding on you.

These Conditions include important terms, including on restrictions and duties which apply to the Property.

The Security Conditions you have signed contain important terms dealing with when we might release the security taken over your home. The Security Conditions also form part of the agreement for your Collateral Mortgage with us.

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 Collateral 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**” means the person (or persons) named in the **Mortgage Offer** as “the borrower”;

“**Borrower Mortgage**” means the Family Mortgage facility granted by the **Society** to the **Borrower**;

“**Borrower Mortgage Debt**” means all moneys (including principal, interest and costs) which the **Borrower** owes **us** at any time under the **Borrower Mortgage**;

“**Borrower Property**” means the property of the **Borrower** charged to **us** as security for the **Borrower Mortgage**;

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

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

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

“**Cost**” or “**Costs**” has the meaning set out in Condition 15;

“**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 **Collateral 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 **Collateral Property** and for liability for remedial works);

“**Further Advance**” means any sum of money lent by **us** under the **Borrower Mortgage** after the original loan. The **Collateral Mortgage** is security for any **Further Advance**;

“**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 the **Borrower** and copied to **you** setting out the terms on which **we** will make the **Borrower Mortgage** available to the **Borrower**. This term includes any variations, supplements, replacements or new offers for a **Borrower Mortgage** and for **Further Advances**;

“**Rebuilding Cost**” means the amount it would cost to completely rebuild the **Collateral 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 12;

“**Security Amount**” means the amount indicated as such in the **Security Conditions**;

“**Secured Debt**” means (i) the **Borrower Mortgage Debt** plus (ii) all **Costs** **you** owe **us** under the **Collateral Mortgage**;

“**Security Conditions**” means the Family Mortgage Collateral Charge Security Conditions signed by **you**; and

“**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 **Collateral Mortgage** or the **Borrower Mortgage** (whether or not by outright transfer and whether in relation to all or part of the **Secured Debt**) and may at any time mean more than one of them.

1.2 References to “person” include a body corporate.

1.3 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.

1.4 Where there is more than one of **you**:

(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 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.

1.5 References to the masculine include the feminine and references to the singular include the plural, and the other way round in each case.

1.6 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 **Collateral Mortgage**.

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## 2. YOUR OBLIGATION TO PAY

- 2.1 You agree that the **Collateral Mortgage** is given as security for the **Secured Debt** subject to your liability being limited as described in the **Security Conditions**.
- 2.2 You will pay us:
- (a) any **Costs** payable by you under the **Conditions** when due;
  - (b) the **Borrower Mortgage Debt** (subject to the **Security Conditions**).

## 3. ENFORCEMENT

- 3.1 We will only exercise our rights under Condition 9 in the event that:
- (a) the **Borrower** is in breach of the **Borrower Mortgage**;
  - (b) the **Borrower Property** has been sold and the net amount received by us does not repay the outstanding balance of the **Borrower Mortgage Debt**; or
  - (c) the **Collateral Property** is compulsorily purchased or requisitioned, abandoned or possession surrendered to us.

## 4. RELEASE

- 4.1 The security created by this **Collateral Mortgage** may be released as provided for under the **Security Conditions** or Condition 13 below.

## 5. CREDITOR PROTECTION

- 5.1 Your liability and this security will not be reduced, impaired, discharged or otherwise affected by:
- (a) any variation or amendment of any agreement between us and the **Borrower** or any other person;
  - (b) any time, indulgence or other concession granted by us to the **Borrower** or any other person;
  - (c) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which we may now or hereafter have for or against the **Borrower** or any other person;
  - (d) any other act or omission by us or any other person in taking, perfecting or enforcing any security or guarantee for or against any other person;
  - (e) your death or bankruptcy or that of the **Borrower** or any other person; or
  - (f) anything which, but for this provision, might release or otherwise reduce or extinguish your liability or this security.

## 6. BUILDINGS INSURANCE AGAINST FIRE ETC.

- 6.1 Subject to Condition 6.2, you may insure the **Collateral Property** subject to such conditions as we may reasonably require. If you insure the **Collateral Property**, the following terms will apply:
- (a) we must, acting reasonably, approve your choice of insurer;
  - (b) you must keep the **Collateral 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 minimum sum insured of the **Rebuilding Costs**. This sum must be index-linked;
  - (c) any excess specified in the insurance policy must be no more than the amount reasonably specified by us; and
  - (d) 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.
- 6.2 We may insure the **Collateral Property** if you do not insure it under Condition 6.1, or if you do not keep to the terms of that Condition. If we insure the **Collateral Property**, the following terms will apply:
- (a) we will, acting reasonably, insure the **Collateral Property** at your expense;

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- (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** will pay, or reimburse to **us**, all buildings insurance premiums paid by **us**.
- 6.3 If **you** hold the **Collateral Property** under a lease which requires the **Collateral Property** (and any buildings of which the **Collateral Property** forms part) to be insured, with insurers nominated in the lease or by the landlord, in the full **Rebuilding Costs** then **we** may accept such insurance as meeting **your** obligations in this Condition 6.
- 6.4 The following terms apply whoever insures the **Collateral Property**:
- (a) it is **your** responsibility (not **ours**) to make sure that the amount of insurance and risks covered are adequate;
  - (b) **you** will not permit or do anything which may make the insurance of the **Collateral 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 to the **Collateral Property** 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 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. **You** will make good any shortfall in such moneys from **your** own resources;
  - (f) **we** may settle and negotiate all claims under the policy which concern the **Collateral Property** but **we** will act reasonably in doing so; and
  - (g) **you** will tell **us** as soon as anything happens which may give rise to a claim under the policy.

## 7. PROVISIONS CONCERNING THE PROPERTY

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

- (a) to complete to **our** reasonable satisfaction any building which is at any time in course of erection on the **Collateral Property**;
- (b) to keep the **Collateral 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 **Collateral Property** is in a good state of repair;
- (c) to observe and perform all legal obligations (if any) affecting the **Collateral Property** or its use and enjoyment and the tenant's obligations in the lease (if any) under which it is held;
- (d) punctually to pay all rates, taxes, rents, outgoings and other charges payable in respect of the **Collateral 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;
- (e) 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 **Collateral Property** which would require planning permission, listed building consent or approval under any building regulations;
- (f) not to make or allow any change in the use of the **Collateral Property** which would require planning permission;
- (g) to comply in all respects with all statutes and subordinate legislation (including those relating to planning and environmental matters) which apply to the **Collateral 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;
- (h) to observe and perform all the requirements and regulations of the local and other authorities in respect of the **Collateral Property**;
- (i) to give **us** any information about the **Collateral Property** which **we** may reasonably ask for;
- (j) 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 **Collateral 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;

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- (k) not to grant any mortgage, charge or other security interest in respect of the **Collateral Property** save for any we have consented to in writing;
- (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 **Collateral 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 **Collateral Property**.

## 7.2 You confirm and agree with us as follows:

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

## 7.3 Notwithstanding any other provision in the **Collateral 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 7.3(b) above **you** will permit **us** to inspect the **Collateral 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**.

## 8. RESTRICTION ON LETTING ETC.

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

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

## 9. ACTION WE MAY TAKE

9.1 For the purposes of the Law of Property Act 1925 the **Secured 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 **Collateral Mortgage**. However, this does not mean that **we** can immediately require **you** to pay the **Secured Debt**. **We** can only do that in accordance with Conditions 3.1 and 9.3.

9.2 The statutory power of sale applies to the **Collateral 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 **Secured Debt** should have become immediately due and payable.

9.3 If the circumstances in Condition 3.1 occur then notwithstanding any other provisions of these **Conditions** the **Secured Debt** shall immediately become due and payable.

- 9.4 At any time after the **Secured Debt** has become due and payable **we** may:
- (a) take possession of the **Collateral Property**;
  - (b) appoint a receiver of the income of the **Collateral Property** or for any part of it. A receiver is someone **we** can appoint to manage the **Collateral 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 **Collateral Property** (whether or not **we** have taken possession);
  - (d) let, licence, or agree to let or licence the **Collateral 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 variation in the terms of any lease or tenancy of the **Collateral Property**;
  - (f) accept a surrender of any lease or tenancy of the **Collateral Property**; and
  - (g) exercise all the other powers given to mortgagees by the Law of Property Act 1925.
- 9.5 After taking possession of the **Collateral 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 **Collateral Property**; and
  - (b) remove, store, sell or otherwise deal with any goods or animals which **you** have not removed from the **Collateral 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.
- 9.6 **We**, and any receiver appointed by **us**, may in the exercise of **our**/his powers under this **Collateral 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.
- 9.7 Where the **Collateral Property** has been let furnished, **we**, or any receiver, may apply all the rent as if it were rent of the **Collateral Property** and need not make any apportionment of such rent in respect of any furniture or goods.

## 10. FURTHER PROVISIONS RELATING TO A RECEIVER APPOINTED BY US

- 10.1 **We** may appoint a receiver where Condition 9.4 applies, or if **you** ask **us** to appoint one.
- 10.2 Any receiver appointed by **us** will not be one of **our** employees.
- 10.3 A receiver may charge such amount for his services as **we** reasonably agree with him.
- 10.4 **We** may remove the receiver at any time and appoint another in his place if **we** reasonably think this is necessary.
- 10.5 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 **Collateral Property**;
  - (b) to sell the **Collateral Property**;
  - (c) to let the **Collateral 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 **Collateral 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 **Collateral Property** is let;
  - (f) to act as manager of the **Collateral Property**;
  - (g) to insure the **Collateral Property** on the same terms as **we** could insure it under Condition 6;
  - (h) to complete any unfinished buildings on the **Collateral Property**;
  - (i) if the **Collateral 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;
  - (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 **Collateral Property**.
- 10.6 **We** may exclude or limit any of the powers in Condition 10.5 at the time when **we** appoint the receiver or later.

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- 10.7 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.
- 10.8 Any receiver appointed by **us** will act as **your** agent and **you** will be solely responsible for the receiver's acts or defaults.

## 11. OUR POWER TO ENTER AND REPAIR ETC.

- 11.1 While the **Collateral Mortgage** continues **you** will permit **us** and **our** agents, after reasonable notice, to enter and inspect the **Collateral Property**.
- 11.2 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 **Collateral Property**. **You** will remedy any such defect in the repair or condition of the **Collateral Property** within such reasonable time as **we** may require.
- 11.3 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 **Collateral Property** or the doing of any other act or thing, then **we** or any receiver appointed by **us** may enter upon the **Collateral 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 15.3.
- 11.4 If **we** or **our** agents enter the **Collateral Property** or exercise any power under this Condition 11, it does not mean that **we** have taken possession of the **Collateral Property**.

## 12. RELATED RIGHTS

- 12.1 In this Condition 12 "**Related Rights**" means:
- (a) any option to purchase the freehold or superior leasehold or a new lease of the **Collateral Property**;
  - (b) any right to receive money which becomes payable in respect of the **Collateral Property** or following any damage to or depreciation of the **Collateral 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 **Collateral Property**;
  - (d) any guarantees or insurances relating to the **Collateral Property** including guarantees for work done to the **Collateral Property**; and
  - (e) any other benefit or right of any kind relating to the **Collateral Property** or its construction or the title to the **Collateral Property**.
- 12.2 As further security for the moneys and liabilities secured by the **Collateral 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.
- 12.3 If **you** receive any money in respect of any **Related Rights** **you** will hold it on trust for **us**.
- 12.4 Subject always to Condition 3 and the **Security Conditions** any proceeds arising from the **Related Rights**, after deducting all **Costs** incurred by **us**, will be applied in reducing the **Secured Debt**, and any surplus will be paid to **you** or any other person then entitled to the surplus.

## 13. REDEMPTION

- 13.1 If **you** wish to redeem the **Collateral Mortgage**, **you** can do so by paying **us** an amount equal to the **Security Amount** in full plus any outstanding **Costs** you owe **us** under the **Collateral Mortgage**. This will be applied to the **Borrower Mortgage** (subject to any early repayment charge) as if the **Borrower** had made a capital payment. Partial repayment may not be made under this Condition.

## 14. WHEN WE CAN ACT ON YOUR BEHALF

- 14.1 **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 **Collateral Property**, the **Related Rights** or the insurance of the **Collateral Property**;
  - (b) to exercise or enforce any rights in respect of the **Collateral 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 **Collateral Property**.



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- 14.2 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 **Collateral 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 **Collateral Mortgage**, or to exercise any powers contained in the **Collateral Mortgage**, or to preserve the **Collateral Property** or the **Related Rights** or their value.
- 14.3 If there is more than one of **you**, the attorney will act for all of **you** together and each of **you** separately.
- 14.4 **You** cannot cancel the appointment in Condition 14.1 until the **Collateral Mortgage** has been released in accordance with Conditions 3 or 13.

## 15. COSTS

- 15.1 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 **Collateral Mortgage** (not being an amount which is charged to the **Borrower Mortgage**) including (but not limited to) the examples given in Condition 15.2.
- 15.2 (a) Where the **Cost** arises because **you** ask **us** to provide a document or service in connection with the **Collateral 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 **Collateral Mortgage**;
  - (iii) releasing the **Collateral Property** or the **Related Rights** from **our** security;
  - (iv) giving **you** any assistance or information in connection with the **Collateral Property**, or the **Collateral Mortgage**; and
  - (v) checking that any insurance of the **Collateral 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 **Collateral 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 **Collateral 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 **Secured Debt** insofar as it relates to **your** liability for this and is not charged to the **Borrower Mortgage**;
  - (iv) protecting or preserving **our** security over the **Collateral Property**; and
  - (v) insuring the **Collateral Property**.
- 15.3 **We** will tell **you** when **you** have incurred a **Cost** and the amount of the **Cost**. **You** must pay **our** **Costs** in full within 14 days of **us** requesting **you** to make payment.
- 15.4 **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.
- 15.5 Where **we** change or add a **Cost** under Condition 15.4, **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.
- 15.6 **We** have sent **you** a copy of **our** tariff of charges with the copy **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.

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

- 16.1 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 **Secured Debt**, the **Collateral Mortgage**, the **Borrower Mortgage** and/or any related security. We will only transfer our rights if such a transfer results in your rights under the **Collateral Mortgage** being the same, or better, than they were immediately before the transfer.
- 16.2 Such a transferee may or may not be a building society or an associated body of a building society.
- 16.3 Unless the terms of the transfer state otherwise, a transferee of the **Collateral Mortgage** will be able to exercise all the rights, powers and remedies which we could exercise before the transfer.
- 16.4 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.
- 16.5 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.
- 16.6 This Condition does not apply to a transfer on a merger between building societies or on a transfer of business by a building society to a company.

## 17. SET OFF

- 17.1 If any time the events in Condition 3.1 have occurred 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 towards your liability under the **Collateral Mortgage**. 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.
- 17.2 If we propose to use our right of set off we will contact you at least 14 days beforehand to tell you this.
- 17.3 If we use our right of set off we will contact you promptly to tell you that we have done so.
- 17.4 If there is a Family Security Account and/or Family Offset Account in your name, the terms of that account and any deposit agreement relating to it apply and not those in Conditions 17.1 - 17.3.

## 18. DATA PROTECTION

- 18.1 By taking out a **Collateral 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 our security under your **Collateral Mortgage** is released for as long as is necessary to comply with statutory or legal obligations or for audit purposes.
- 18.2 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 **Collateral Mortgage** and any other service in which you have expressed an interest;
  - (d) collect repayment of the **Borrower Mortgage**;
  - (e) otherwise administer the **Borrower Mortgage**;
  - (f) prevent fraud and financial crime;
  - (g) investigate and resolve a complaint;

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- (h) carry out statistical analysis and regulatory reporting; and
  - (i) for audit purposes.
- 18.3 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 person who carries out a valuation of the **Collateral Property** for mortgage purposes;
  - (c) credit reference agencies;
  - (d) fraud prevention or law enforcement agencies;
  - (e) mortgage indemnity companies;
  - (f) organisations that may assist with processing or administering the **Collateral 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 **Collateral 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.
- 18.4 **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.

## 19. GENERAL

- 19.1 If **we** decide to relax or not to enforce any of **our** rights under the **Collateral Mortgage**, these **Conditions** or the **Borrower Mortgage**, this will not adversely affect or restrict any of **our** rights or powers under the **Collateral Mortgage**.
- 19.2 If **you** fail to comply with any of these **Conditions** or any other term of the **Collateral 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 the **Collateral Mortgage** in the future.
- 19.3 Each of the provisions and sub-provisions of the **Collateral 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.
- 19.4 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**.
- 19.5 The Contracts (Rights of Third Parties) Act 1999 does not apply to the **Collateral 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.
- 19.6 **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 20.

## 20. NOTICES

- 20.1 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 **Collateral Property**; or
  - (b) by email to any email address **you** have given **us** for this purpose.
- 20.2 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.
- 20.3 Where there is more than one of **you** at the same address notice given to one of **you** will be deemed given to all of **you**.
- 20.4 **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.
- 20.5 **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.

## 21. COMMUNICATIONS

- 21.1 **Our** communications with **you** will be in English.
- 21.2 Unless a demand or notice under Condition 20 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.
- 21.3 **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 also keep any emails sent to or from **us**. **We** will do this to check what was written and also to train **our** staff.

## 22. LAW

- 22.1 The **Collateral 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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