

General Conditions (Buy to Let)

1. The Mortgage Offer is conditional on:
 - a) the title to the Property being satisfactory to us; and
 - b) unless we agree otherwise, your providing the balance of the purchase price of the Property from your own resources, without any further borrowing; and
 - c) you providing us on an annual basis, or more regularly if requested by us, a full schedule of rental income/portfolio details where you have either £500,000.00 or more outstanding in mortgage to us, or you have a portfolio of 3 or more properties in mortgage to us.
2. The Society may withdraw or change this Mortgage Offer at any time before completion of the mortgage if either of the following apply:
 - anything happens or comes to light after the date of this Mortgage Offer that is inconsistent with the basis on which it is made. This could include changes in your circumstances (such as loss of employment) that are likely to have a material impact on your ability to afford the loan, or matters that have a material adverse effect on the condition or value of the property, or the legal title to it.
 - You have knowingly provided incomplete, false or inaccurate information in connection with your application for the loan.
3. You must note that the valuation report obtained by us is for our benefit only. It may not contain details of defects that would be important to you as owner of the Property, but not necessarily to us as lender. You are advised to obtain your own survey of the Property to satisfy yourself about its condition. Due to the limited nature of a valuation, neither we nor our valuer accept any responsibility to you for the contents of the valuation report. Neither does the Society accept any responsibility for the workmanship, construction or state of repair of the Property.
4. **You will need to forward to us a buildings insurance policy which complies with our Terms for Insurance leaflet. Insurance must be in force prior to us releasing the Loan and the policy must confirm that the property is insured on a let property basis.** Thereafter, it is your responsibility to ensure that the buildings insurance is maintained throughout the life of the mortgage. The level of buildings cover must be no less than the recommended sum insured when shown in the Insurance section of your Mortgage Offer and must be index-linked. The risks covered must be at least the following, together with any other reasonable risk requirements (reflecting current industry practice) of which we may have given you reasonable notice from time to time: fire, lightning, aircraft, explosion, earthquake, storm, flood, escape of water or oil, riot, malicious damage, theft or attempted theft, falling trees and branches and aerials, subsidence, heave, landslip, collision, accidental damage to underground services, professional fees demolition and site clearance costs, and public liability. The insurance company must be authorised by the Prudential Regulation Authority or the Financial Conduct Authority and regulated by the Financial Conduct Authority and/or the Prudential Regulation Authority. You: i) accept sole responsibility for the choice of insurer, the sum insured and the extent of cover but you must meet our minimum requirements as set out in this condition; ii) undertake to pay all premiums as they fall due and maintain the sum insured at a level covering the full re-building cost of the property.
5. The interest period on the Mortgage is a day. This means that interest is calculated on the capital balance outstanding at the end of each day, taking into account any transactions processed on that day. The accrued interest is added to the capital balance at the end of each calendar month. Under the Mortgage Conditions, we have the power to alter the interest rate and the amount of the Monthly Payment. References in the Mortgage Offer, the General and Special Conditions and/or the Mortgage Conditions to the Buy to Let Variable Rate are to the rate of interest charged to all our new and existing Buy to Let Mortgage borrowers, other than those who have chosen products at special rates or who pay a higher rate based on their individual circumstances.
6. Under the Mortgage Conditions, you will be required to make a Monthly Payment on each Payment Day. The Payment Day is the day of the Month on which the Mortgage is completed. (For example, if the Mortgage is completed on the tenth day of a Month, the Payment Day will be the tenth of each Month.) However, if this day is not a working day in any Month, then the Payment Day in that Month will be the last working day before that day. Interest for the period from the date of completion of the Mortgage up to the first Payment Day will need to be paid and will be added to the first Monthly Payment. We will notify you after completion of the amount required.

7. The Property must not be occupied by you or any related person. A related person is your spouse, civil partner, parent, brother, sister, child, grandparent or grandchild.
8. Every tenancy must be an Assured Shorthold Tenancy Agreement and must comply with the following terms and conditions, and any other reasonable requirements of which we may have given you reasonable prior notice from time to time (but which will not apply to any tenancy in existence when any such requirement comes into effect):
 - i) The agreement must be in writing and in the format of an Assured Shorthold Tenancy Agreement.
 - ii) The rent/proposed rent must be the market rent for the property.
 - iii) It must be for residential purposes only, and must not be a holiday let or a letting involving Houses in Multiple Occupation or large House in Multiple Occupation. A House in Multiple Occupation is where at least 3 tenants live there, forming more than 1 household and the toilet, bathroom or kitchen facilities are shared with other tenants. A large House in Multiple Occupation is where the property is at least 3 storeys high, at least 5 tenants live there, forming more than 1 household and the toilet, bathroom or kitchen facilities are shared with other tenants.
 - iv) It must not confer any security of tenure of the tenant(s) beyond the expiry of the initial fixed contractual term.
 - v) The initial fixed contractual term of the letting must not exceed twelve months.
 - vi) No assignment or sub-letting is to be permitted.
 - vii) The letting must not be granted to anyone who can claim diplomatic immunity, a related person (as defined in 7 above) or a corporate body.
 - viii) The/every tenancy agreement must be in a form normally used for residential agreements, must contain no provisions which can adversely affect our interest as a mortgagee and, where you are purchasing the Property or remortgaging it to us, must be approved by our Legal Representative.
 - ix) For every tenancy entered into following completion of the Loan the tenant(s) must be served with a written Ground 2 Notice under the Housing Act 1988, whether included within the tenancy agreement or otherwise, no later than the commencement of the tenancy.
 - x) Any deposit paid by the tenant(s) must be held with a government-backed tenancy deposit scheme. You must also comply with all your other legal responsibilities as landlord.
 - xi) Where the tenant is already in place at completion of the Loan, notice must be served by you on the tenant(s) advising our interest in the let Property. In addition, the tenancy agreement must include notice that the tenant(s) agrees to pay the rent to us and/or vacate the Property if notice is served by us (which we will only serve if the Mortgage is in arrears).
 - xii) You must comply with the following requirements:
 - Provide the tenant with a copy of the Government publication 'How to rent'
 - Ensure that the property has an Energy Performance Certificate
 - Ensure that the property has a valid Gas Safety Certificate
 - Put right anything in respect of the Property that has been the subject of a formal complaint by the tenant which has been upheld by the local authority.
9. Subject to any Special Conditions relating to the Mortgage, you may repay all or any part of a Loan at any time. Any additional capital repayment must be for at least the amount we specify as the minimum capital repayment. At present, this is £1.
10. With the exception of our Fees Assisted products, you will be responsible for the costs of our Conveyancer in relation to the Mortgage, whether or not completion takes place.
11. You should consider arranging appropriate life assurance to cover the amount of the Loan.
12. You will be responsible for putting in place and supplying details of all savings plans (for example, endowment policies, pension plans and/or ISAs) taken out in connection with the Mortgage. You will be responsible for ensuring that all premiums or other payments relating to such plans are paid. We will not be responsible if premiums or payments are not paid or plans are cancelled.
13. If the Property is leasehold, your Conveyancer will be asked to confirm that the lease contains satisfactory arrangements for repair and maintenance of roofs, walls, common parts and services.

14. If the Property is new, then it must be completed to our satisfaction before the Loan is made. If the Property was built less than 10 years ago it must be covered by one of the following:
 - 10 Year Structural Protection Warranty issued by NHBC
 - Zurich Municipal Guarantee (formerly Foundation 15 Certificate) - no longer available after October 2009
 - ARIBA Architect's Certificate and transferable warranty issued by an architect who is a member of the Architects Registration Board
 - MCIAT (Member of the Chartered Institute of Architectural Technologists) architects certificate and transferable warranty provided the individual architects qualifications has been seen and approved by the Society beforehand
 - Building LifePlans Scheme
 - Premier Guarantee
 - LABC New Home Warranty
 - Checkmate - Castle 10
 - An insurance backed guarantee provided by a fellow or member of the Royal Institution of Chartered Surveyors (FRICS or MRICS)
 - An insurance backed guarantee provided by a fellow or member of the Institution of Structural Engineers (F.I.Struct.E or M.I.Struct.E)
 - An insurance backed guarantee provided by a fellow or member of the Chartered Institute of Building (FCIOB or MCIOB)
 - An insurance backed guarantee provided by a fellow or member of the Architecture and Surveying Institute (FASI or MASl)
 - An insurance backed guarantee provided by a fellow or member of the Association of Building Engineers (FB.Eng or MB.Eng)
 - An insurance backed guarantee provided by a fellow or member of the Institution of Civil Engineers (FICE or MICE)
15. For the purposes of the Mortgage Conditions, the Initial Monthly Payment payable is the total initial monthly payments set out in **Section 6**, and the Mortgage Term is the term of the mortgage specified in **Section 3**.
16. The mortgage contract and our relations with you will be governed by English Law. We will communicate with you in the English language unless otherwise agreed between us.
17. We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 159601. You can check this on the Financial Services Register by visiting the FCA's website www.fca.org.uk/firms/systems-reporting/register or by contacting the FCA on 0800 111 6768.