



Buy-to-Let Mortgage Conditions 2019

Scotland



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BUY TO LET MORTGAGE CONDITIONS 2019 (SCOTLAND)

IMPORTANT

**These are the terms and conditions on which we make your Loan.
Please read them carefully. If there is anything that you do not understand, you
should ask your legal advisor to explain.**

CONTENTS

Part		Page
1	INTRODUCTION	6
2	MEANINGS	7
3	THE MAIN SUBJECT MATTER OF YOUR MORTGAGE	8
4	WHAT, WHEN AND HOW YOU MUST PAY US	9
5	COSTS AND TARIFF CHARGES	10
6	INTEREST	10
7	LIMITS ON OUR POWER TO CHANGE THE INTEREST RATE	11
8	WHEN WE CAN CALL FOR EARLY REPAYMENT OF YOUR DEBT	11
9	YOUR RIGHT TO PAY OFF YOUR MORTGAGE	12
10	THE VALUATION	12
11	LOOKING AFTER THE PROPERTY	13
12	LETTING THE PROPERTY	14
13	OUR RIGHTS AND POWERS	15
14	GENERAL PROVISIONS	17
15	THE STANDARD CONDITIONS	19

Below is a summary of some of the key terms and conditions in this booklet. It is important that you read and consider all of the terms and conditions which apply along with your mortgage offer and any other documents we have provided to you.

Summary of Key Terms	
<p>Joint borrowers (Part 1)</p>	<p>If you take out a mortgage with another or more than one borrower, these conditions will apply to both of you. Your liability to us is 'joint and several' which means that we can enforce the mortgage against one of you or all of you.</p> <p>If a joint borrower dies, becomes insolvent or unable to manage his / her affairs, the remaining borrower(s) will still be liable to us under these conditions.</p>
<p>Monthly payments (Part 4)</p>	<p>It is important that you pay to us the amount of the monthly payments set out in your mortgage offer on time.</p> <p>If your mortgage is a 'repayment mortgage', your monthly payments will include capital and interest.</p> <p>If your mortgage is an 'interest only' mortgage, your monthly payments will only consist of the amount of the interest that has accrued and you will still have to repay all of the capital at the end of the mortgage term. It is very important that you make arrangements to repay the amount of capital at the end of the mortgage term and regularly check to ensure that you will be in a position to repay the capital by the end of the term.</p> <p>In certain circumstances we can change the amount of your monthly payment, for example, if there is a change to your interest rate. Please see condition 19 for full details.</p>
<p>Costs (Part 5)</p>	<p>If you fail to comply with the conditions of your mortgage we may have to take steps to remedy that breach and you will be responsible for paying the cost of us doing so.</p> <p>We may also make charges for items relating to your mortgage administration or services. Our current list of charges is provided to you with these conditions and is available on our website at www.newcastle.co.uk or can be obtained by telephoning 0345 734 4345 or enquiring in branch. We can change these charges if the level of charge is fixed by a statutory body or there are reasonable increases in the costs we incur in performing the service that the charge relates to.</p> <p>If we make any changes to our charges which are applicable to your mortgage we will give you notice of the change 28 days before the change takes effect.</p>
<p>Interest (Parts 6 and 7)</p>	<p>We will charge you interest on the amount that you have borrowed at the interest rate set out in your offer. We will calculate the interest at the end of each day and apply it to your balance.</p> <p>Unless your mortgage offer states that your interest rate is fixed, we can vary the interest rate applicable to your mortgage for a number of reasons set out in condition 27. Please ensure that you have considered those reasons and understand that the amount you pay for your mortgage will increase (including your regular monthly payments if you have a repayment mortgage) if we increase the interest rate.</p> <p>We will give you written notice of the change or advertise it in two national daily newspapers.</p>

<p>What happens if you default (Parts 8 and 13)</p>	<p>If you fail to make two or more of your monthly payments when they are due or you break the terms of these conditions we may have the power to ask you to repay all of the mortgage balance that is outstanding. We will only do this in the circumstances set out in conditions 31. Please note that some of the reasons for which we can ask you to repay relate to properties that you may have in a portfolio of mortgages with us, rather than the property specifically securing this mortgage.</p> <p>If the mortgage has become due as a result of us exercising this power, part 13 sets out the actions that we are allowed to take in relation to the property. This could include taking possession of your property and selling it. Please note that if the proceeds of a sale of the property are not sufficient to repay the full mortgage balance, you will still be liable to pay the remaining mortgage balance.</p>
<p>Property obligations (Part 11)</p>	<p>Your mortgage will be secured over the property set out in your mortgage offer.</p> <p>The property will be secured to us by means of a standard security in accordance with the provisions of the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended by the Redemption of Standard Securities (Scotland) Act 1971. Schedule 3 to the 1970 Act sets out various Standard Conditions which regulate security over heritable property, but which may be varied and extended. This booklet, together with the standard security itself, sets out and, along with your mortgage offer, creates variations to the Standard Conditions.</p> <p>It is an important that the property is kept in a good state of repair.</p> <p>Condition 34 sets out some obligations on you in relation to maintaining the property, such as completing building work. You must also obtain our permission before you carry out certain actions in relation to the property, such as making alterations or extensions.</p> <p>It is your responsibility to insure the property against the usual risks to a property (fire and flood for example) and for an amount that is sufficient to fully re-instate the property (as set out in the valuation) in the event that it is destroyed.</p> <p>If we become aware that you have failed to insure the property we will insure it for you and then require you to reimburse us the cost of doing this.</p>
<p>Letting the property (Part 12)</p>	<p>It is your responsibility to let the property. The property may already be let to other people provided that your solicitor confirms to us that no occupiers over 17 years old have right of occupation over and above their tenancy agreement and no other tenant has been granted greater rights than set out in their tenancy agreement through the occupation of the property or otherwise.</p> <p>There are certain types of let that you are not able to do. Please see condition 39.1 and 39.2 for full details. However, just because you are permitted by these terms to let to a particular tenant does not mean that we are confirming they will be a suitable tenant for your purposes.</p> <p>You will still be responsible for making your mortgage payments if you are not able to let the property out. Please note that by making this loan to you we are not providing you with any confirmation that the property will be able to be let or the level of rental income you will achieve,</p>

IF YOU FAIL TO KEEP UP WITH REPAYMENTS ON YOUR MORTGAGE YOUR RENTAL PROPERTY MAY BE REPOSSESSED.

Newcastle Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

PART 1 - INTRODUCTION

These are the **Conditions** that apply to your **Mortgage**. Where there is any conflict between the **Conditions**, the **Conditions** in the **Offer** and the **Rules**, then the following order of priority applies:-

- 1) the **Offer**;
- 2) the **Standard Security**;
- 3) these **Conditions**; and
- 4) the **Rules**.

Your Membership of the Society

- 1 When you have your **Mortgage** with us you become a member of the **Society** and while you are a member you must obey the **Rules**.
- 2 If you are a member only because you have a **Mortgage** with us, we can, in our absolute discretion, end your membership if we transfer your **Mortgage** to anyone else in accordance with Condition 48.

About the Conditions

- 3 Whenever we use the words "we", "us" and "our" we mean the **Society** and "we" includes any successor to our business or to whom our rights under your **Mortgage** are transferred.
- 4 **Note carefully:** If there is more than one of you, whenever we use the word "you", "your" etc. we mean each or any of you individually as well as any two or more or all of you together. You each individually have joint and several liability. This means that you are each individually responsible for complying with these **Conditions** in full and that we can enforce your **Mortgage** against any one or two or more of you for any sum owing.
- 5 If there is more than one of you and any of you die, becomes insolvent or unable to manage your affairs, this will not affect the liability of the rest of you under your **Mortgage**.
- 6 References to "you" include your officially appointed legal representatives should you die, become insolvent or become unable to manage your affairs.
- 7 Where any of the **Conditions** requires that you obtain our consent, then such consent:
 - 7.1 will not be unreasonably withheld or delayed by us;
 - 7.2 will only be valid if given by us in writing;
 - 7.3 must be obtained by you in advance; and
 - 7.4 may be subject to such conditions as we reasonably think fit.
- 8 You agree that it is not unreasonable for us to refuse to consent to something or impose conditions on giving such consent if it adversely affects or might otherwise affect our security or the value of the **Property**.
- 9 References to any Act of Parliament or other legislation include that provision as altered or updated from time to time, whether before or after the date of your **Mortgage**.
- 10 The **Standard Security** is regulated by the **Standard Conditions** and in the event of any conflict between these **Conditions** and the **Standard Conditions**, these **Conditions** shall prevail (to the extent that the **Standard Conditions** can be lawfully varied).

PART 2 - MEANINGS

11 Some of the words used in these **Conditions** and in your **Mortgage** have a specific meaning when they start with a capital letter, as follows:-

“Act”	the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended by the Redemption of Standard Securities (Scotland) Act 1971.
“BACS”	an electronic instruction to credit a payee’s account in the UK with a specified amount.
“Conditions”	these terms and conditions and the terms and conditions in any Offer and in the Standard Security .
“Connected Rights”	rights you have in connection with the Property , including:- <ul style="list-style-type: none">• any share or rights to membership in a management company, tenants' or residents' association relating to the Property;• the right to receive any payment in respect of the Property (whether under statute or otherwise) following any damage, injury or loss of value;• the benefit of any rights to obtain the improvement of or any payment in connection with any roads, sewers, drains or other services or amenities relating to the Property;• sums which (under any statute or law or contract and whether as of right, volunteered or otherwise) may be or become payable in respect of the Property or any damage or injury to it or loss of value to it and the benefit of any other obligation or security right affecting or concerning the Property; and• the benefit of any other right relating to the Property from time to time.
“Costs”	all costs, charges, expenses and tariff charges (including our internal administrative expenses, management costs and legal costs), being the full amount that we have to pay or incur in and about the exercise of our rights and powers under your Mortgage and any damages or expenses occasioned to us if you breach any of the Conditions .
“Debt”	all and any part of the money which you may now or at any time in the future owe to us including (but not limited to): - <ol style="list-style-type: none">(a) each and every Loan;(b) Interest; and(c) Costs.
“Early Repayment	any charges we make in respect of you paying your Loan off early as set out in the Offer .
“Interest”	interest at the Interest Rate calculated and charged in accordance with the Conditions .
“Interest Rate”	the rate or rates of Interest applying to all or any part of the Debt , in accordance with the Conditions as varied by us from time to time.
“Loan”	each and every sum advanced by us to you under the Standard Security .
“Lease”	any lease, tenancy or agreement for lease relating to all or any part of the Property .
“Month”	a calendar month.
“Monthly Payment”	the total monthly payment described in your Mortgage as the same may be varied by us in accordance with the Conditions .
“Monthly Payment Date”	the day of the Month when you must make your Monthly Payment as specified in Conditions 17 and 18 .

“Mortgage”	the particular arrangements by which we lend money to you secured by the Standard Security , these Conditions , any Offer , and any other documents which incorporate some or all of their terms.
“Notice”	notice given in accordance with Condition 46.
“Offer”	our mortgage offer and any offer of further Loan .
“Officers”	our directors, executives or company secretary.
“Property”	each and every part of the Property described in the Standard Security , together with all land, buildings, fixtures and fittings now or at any time after you have granted to us a Mortgage on the Property , including your beneficial interest in it or in its sale proceeds, as well as any Connected Rights .
“Reference Rate”	Bank of England Base Rate from time to time, or if such rate ceases to exist, such other similar market rate as we in our absolute discretion may determine.
“Rules”	the Rules of the Society from time to time in force (copies are available on request).
“Society”	Newcastle Building Society, whose Principal Office is at: 1 Cobalt Park Way, Wallsend, NE28 9EJ.
“Standard Conditions”	means the conditions set out in Schedule 3 to the Act as amended from time to time.
“Standard Security”	the standard security document signed by you (which incorporates these Conditions and which these Conditions regulate) creating security for the Loan over the Property .
“Standard Variable Rate”	the rate of Interest determined by us from time to time to be our standard variable interest rate.
“Tenancy”	either (a) in respect of any tenancy of the Property created before 1 December 2017, a short assured tenancy under the Housing (Scotland) Act 1988 or (b) in respect of any tenancy created after 1 December 2017, a private residential tenancy under the Private Housing (Tenancies) (Scotland) Act 2016.
“Term”	the term of years described in your Mortgage over which you must repay any Loan .

PART 3 - THE MAIN SUBJECT MATTER OF YOUR MORTGAGE

- 12 We will advance to you any agreed **Loan** in accordance with the terms of your **Offer**.
- 13 You charge the **Property** to us by way of first ranking standard security. Your **Mortgage** is continuing security for the whole and each and every part of the **Debt**.
- 14 You:
- 14.1 must repay the **Debt** to us by no later than the end of the **Term** and in the manner determined in the **Offer**. This obligation to pay includes any part of the **Debt** remaining following any sale or realisation of the **Property** and any amount that you have paid to your solicitor but has not been paid to us;
 - 14.2 must pay us **Interest** on the **Debt** at the **Interest Rate**;
 - 14.3 agree that the **Interest Rate** may change from time to time as described in these **Conditions**;
 - 14.4 must pay us other money due under your **Mortgage**, such as **Costs**, when due for payment;
 - 14.5 must advise us immediately and in writing of any changes to your address or to the proposed occupiers aged 17 or over; and
 - 14.6 must look after the **Property** and keep it in good condition as security for us as further detailed in Part 11 (under the heading “Looking after the **Property**”).

PART 4 - WHAT, WHEN AND HOW YOU MUST PAY US

- 15 **The Monthly Payment**
- 15.1 You must make the **Monthly Payment** each **Month** on the dates set out in your **Offer**.
- 16 **Amount of the Monthly Payment**
- 16.1 The **Monthly Payment** is the total of:
- 16.1.1 **Interest** calculated in accordance with Condition 24;
 - 16.1.2 a portion of capital in reduction of your **Loan** as is needed to repay the **Loan** by the end of the **Term** (unless your **Mortgage** is interest only);
 - 16.1.3 any insurance premium (if applicable); and
 - 16.1.4 any other sums, such as **Costs**, which have fallen due that we have agreed may be made by the **Monthly Payment**.
- 17 **First Monthly Payment**
- 17.1 Where your **Mortgage** is completed before the 16th of the **Month** your first **Monthly Payment** will be due on the first day of the **Month** following completion.
- 17.2 Where your **Mortgage** is completed on or after the 16th of the **Month** your first **Monthly Payment** will be due on the 15th of the **Month** following completion.
- 17.3 Your first **Monthly Payment** will include accrued **Interest** from the date of completion.
- 18 **Subsequent Monthly Payments**
- 18.1 The **Monthly Payment** must be made by direct debit, unless we otherwise agree. You agree to waive the normal ten working days **BACS** notice of changes to direct debits. The **Monthly Payment Date** is either the 1st, 8th, 15th or 25th day of each **Month**.
- 18.2 We will ask you to choose which of the above **Monthly Payment Dates** you prefer, but if you make no choice, the **Monthly Payment Date** will be the 1st day of each **Month**.
- 18.3 Once you have chosen the **Monthly Payment Date**, it will remain fixed unless changed by mutual agreement between us and you.
- 19 **Change in Amount of Monthly Payment**
- 19.1 We may change the amount of the **Monthly Payment** if:
- 19.1.1 there is a change in the **Interest Rate**, the **Term** or the repayment method;
 - 19.1.2 any insurance premium changes (if applicable);
 - 19.1.3 you take out a further **Loan** or pay off part of the **Debt** early;
 - 19.1.4 there are any payments of capital, or any **Interest** or **Costs** which were not paid when due;
 - 19.1.5 we allow any **Costs** to be made by **Monthly Payment**;
 - 19.1.6 in the case of a **Loan** which is to be repaid during the **Term** you are not paying enough to repay that **Loan** in full by the end of the **Term**;
 - 19.1.7 there is any change required as a result of an agreement that we reach with you; or
 - 19.1.8 there is a change in the law (including tax law), the interpretation of the law, the decisions of any court or ombudsman or any requirements or guidance of a regulatory authority.
- 20 **Crediting of Payments**
- 20.1 Payments you make by direct debit, standing order or cash will be credited on the date of receipt of the funds.
- 20.2 Payments you make by cheque will be credited on the fourth working day following receipt of the cheque.

- 21 **How your Payments are applied**
- 21.1 If you pay your full **Monthly Payment** or any amount over your **Monthly Payment** we may apply the funds against any parts of the **Debt** in such proportions as we think fit.
- 21.2 If any payment made by you on a **Monthly Payment Date** is less than the **Monthly Payment** due on that date, the payment made will be applied to the **Debt** in the following order:-
- 21.2.1 **Interest;**
- 21.2.2 any insurance premium (if applicable);
- 21.2.3 the **Loan**; and
- 21.2.4 **Costs.**

PART 5 - COSTS AND TARIFF CHARGES

- 22 **Costs**
- 22.1 If you fail to perform or comply with, or fail to remedy any breach of the **Conditions** of your **Mortgage**, we may (without having to do so) take such reasonable steps as may be necessary to remedy or secure performance of the same.
- 22.2 You will be responsible for any reasonable **Costs** we incur as a result of doing so.
- 22.3 You must pay any **Costs** as soon they are charged.
- 23 **Tariff of Charges**
- 23.1 We charge certain administrative or service costs to you at a standard rate. A copy of our current tariff of charges was sent to you with your **Offer** and will be sent to you at least once every year thereafter and no less than 28 days before any change to the tariff comes into effect.
- 23.2 You agree that we may change our tariff of charges from time to time, but we will not increase them by more than is necessary to reflect changes which have occurred in relation to:-
- 23.2.1 fees and charges fixed by statutory bodies, and/or
- 23.2.2 reasonable increases in direct reasonable administrative overheads we incur for doing the work or providing the service for which we make the relevant charge as set out in the tariff of charges.
- 23.3 You must pay any amounts charged under the tariff of charges as soon as they are charged.

PART 6 - INTEREST

- 24 **Calculation of Interest**
- 24.1 **Interest** will accrue daily and will be calculated at the **Interest Rate** on the amount of any outstanding **Debt**, excluding **Costs** which are not detailed within the **Offer**, at the end of each day.
- 24.2 You must pay **Interest** before and after any demand is made or any judgment (Court Order) is obtained by us at the **Interest Rate** on the **Debt**, excluding **Costs** not detailed within the **Offer**, outstanding from time to time together with all other sums due, except interest which has not yet fallen due for payment.
- 24.3 **Interest** is also payable at the **Interest Rate** on interest which has fallen due and remains unpaid on the last working day of the **Month** in which it accrued.
- 25 **Interest Rate**
- 25.1 Unless your **Offer** specifically states otherwise, the **Interest Rate** is our **Standard Variable Rate**.
- 26 **Changes to the Interest Rate**
- 26.1 The initial **Interest Rate** applicable to any **Loan** is stated in the **Offer**.

- 26.2 Subject to the terms of the relevant **Offer**, the **Interest Rate** is variable. This means that we may at any time increase or reduce the **Interest Rate** subject to the restrictions on our power to change the **Interest Rate** in Part 7. If the **Interest Rate** is fixed, it will not be changed by us. If the **Interest Rate** is calculated as a margin over a **Reference Rate**, we may change the margin.
- 26.3 We will let you know about any change in the **Interest Rate** either by sending you **Notice** or via an advertisement in two national daily newspapers of our choice. In addition, so long as we have not transferred your **Mortgage** pursuant to Condition 48, this notice will be displayed in a prominent position in each of our branches.
- 26.4 An increase in the **Interest Rate** will not take effect until at least 28 days after we give you **Notice** of the increase including details of the resulting increase in your monthly payments.
- 26.5 A reduction in the **Interest Rate** may take effect immediately.

PART 7 - LIMITS ON OUR POWER TO CHANGE THE INTEREST RATE

- 27 We may only change the **Interest Rate** or our **Standard Variable Rate** to take account of any one or more of the following circumstances:
- 27.1 market interest rate conditions as they affect us: for example, if the market rate that lending institutions generally have to pay to borrow funds to lend on the type of products covered by these **Conditions** increases, so that we have to pay more to fund our lending;
- 27.2 we need to respond to changes to our legitimate costs associated with providing this service to you, including our reasonable administrative and overhead costs;
- 27.3 there is a change in the law (including tax law), the interpretation of the law, the decisions of any court or ombudsman or any requirements or guidance of a regulatory authority; or
- 27.4 a change in our lending risk or cost of lending if there are changes in the way the **Property** is used or occupied or if you are in breach of any of the **Conditions**.
- 28 We may only make any increase in the **Interest Rate** or the **Standard Variable Rate** under Condition 27 above if, in our reasonable opinion, the change: -
- 28.1 is made having regard to running our business as a building society in the interest of our membership as a whole, balancing the interest of our savers and borrowers;
- 28.2 is proportionate to and not greater than is justified by the circumstances giving rise to it; and
- 28.3 does not discriminate unfairly against you individually or as a particular type of borrower, unless the circumstances in question relate specifically to a particular type of borrower (in which case we will give you an explanation about that).
- 29 If we make an increase under Condition 27 we will reduce the **Interest Rate** or our **Standard Variable Rate** when circumstances justifying the increase no longer exist.
- 30 If we change the **Standard Variable Rate** to more than 6% above **Reference Rate** or we increase the **Standard Variable Rate** by more than 3% at any one time, you may repay all of the **Debt** within 60 days of the date on which we give you **Notice** of the change without any fee or **Early Repayment Charges**. If you choose to exercise this right, then the amount of the **Debt** repayable by you will be calculated by us ignoring the change in your **Interest Rate**.

PART 8 - WHEN WE CALL FOR EARLY REPAYMENT OF YOUR DEBT

- 31 **On Default or in Certain Other Events**
- 31.1 No matter what any other **Condition** says, the **Loan** and the **Debt** become immediately due and payable in each of the following events:
- 31.1.1 if an amount equivalent to two or more **Monthly Payments** payable under your **Mortgage** (or if your **Loan** forms part of a portfolio of loans that you hold with us, including a loan secured by a mortgage over your home, any other loan in that portfolio) is in arrears;

- 31.1.2 if you materially or persistently breach any of the **Conditions** of your **Mortgage** (or if your **Loan** forms part of a portfolio of loans that you hold with us, including a loan secured by a mortgage over your home, any other loan in that portfolio) and, if the breach is capable of remedy, you have failed to remedy the breach within 14 days of us giving you **Notice** asking you to do so;
- 31.1.3 if the title to the **Property** is defective in any way or your **Mortgage** does not have first ranking or is in any way not perfected or alleged to be improperly perfected;
- 31.1.4 if any part of the **Property** is compulsorily purchased (this means an order is issued by an official body, such as a council, stating that the **Property** must be purchased) or officially requisitioned (this means that the **Property** is seized by an official body against your will);
- 31.1.5 if the value of the **Property** falls substantially because a building on it has been pulled down or damaged;
- 31.1.6 if in our reasonable opinion, you have been involved in any serious criminal activity or any fraudulent activity;
- 31.1.7 if you become bankrupt or make any formal arrangement relating to debts owed to other creditors;
- 31.1.8 if we discover that any of the information given to us by you or by someone on your behalf before the **Standard Security** was signed is wrong or that you knowingly omitted to tell us something when you applied for any **Loan** and such information or omission had or has a material affect on our decision to lend or to continue to lend to you;
- 31.1.9 if a heritable creditor or other person interested in the **Property** (or if your **Loan** forms part of a portfolio of loans that you hold with us or any other lender, including a loan secured by a mortgage over your home, any other property secured in that portfolio) takes proceedings for possession or otherwise to enforce their interest; or
- 31.1.10 if you give possession of the **Property** to us or if, following reasonable investigation by us, we consider you have abandoned the **Property**.

PART 9 - YOUR RIGHT TO PAY OFF YOUR MORTGAGE

- 32 Subject to this Condition 32, you may pay off all or part of the **Debt** at any time.
 - 32.1 Unless we consent, you may not redeem your **Mortgage** unless at the same time you also redeem all other security we hold in connection with the **Debt**, nor may you redeem any other such security without also redeeming your **Mortgage**.
 - 32.2 If your **Loan** forms part of a portfolio of **Mortgages** that you have with us and you repay the whole **Loan** due in relation to any one of those **Mortgages**, we may at our discretion refuse to release the property from that **Mortgage** if we believe there is insufficient security under any separate mortgage over another property or properties for repayment of any other sum owed by you to us under that other **Mortgage**.
 - 32.3 **Early Repayment Charges** may apply to your **Mortgage**. If they do, they will appear in your **Offer**.
 - 32.4 Following repayment of all the **Debt** we will discharge your **Mortgage** and re-assign your **Connected Rights** to you. A discharge fee may be applicable as set out in your **Offer**.

PART 10 - THE VALUATION

- 33 **The Valuation of the Property**
 - 33.1 We have had the **Property** valued for our purposes, to help us to decide how much the **Property** is worth as security for any **Loan**. If you are shown a copy, it is provided to you as a courtesy only, and you must not rely on anything it says in connection with the **Property** for your own purposes. We do not accept any responsibility of any kind for any valuation of the **Property**.

- 33.2 The valuer is not our agent for the purposes of any valuation or report. The valuer is an independent contractor. We do not make any representation that any valuation or report about the **Property** is correct in any respect.
- 33.3 You agree that making your **Loan** does not in any way amount to a promise or confirmation by us that the **Property** is suitable for your purposes or that its price is reasonable.
- 33.4 We reserve the right to obtain a further valuation of the **Property** at any time if we reasonably believe that the value of the **Property** has decreased and our security is at risk as a result. You must reimburse us for any such valuation unless you have already done so within the previous three years.

PART 11 - LOOKING AFTER THE PROPERTY

34 Looking after the Property

- 34.1 You must look after the **Property** so that it keeps its value as our security and, in particular, you must:-
- 34.1.1 put the **Property** into, and keep the **Property** in, a good state of repair and condition, and in particular, if construction of the **Property** has not been completed, complete the construction of the **Property** without delay and in a proper manner;
 - 34.1.2 perform and fully comply with all restrictions and stipulations which apply to the **Property**, including, but not limited to, the provisions of any **Lease**;
 - 34.1.3 comply fully with all legislation (including but not limited to legislation relating to planning and environmental matters) which may apply to the **Property** from time to time;
 - 34.1.4 on the due date for payment, pay all rents and other outgoings in connection with the **Property**;
 - 34.1.5 not, without our consent, make any alteration or addition or extension to, or use the **Property** for any purpose which would require planning permission or building warrant approval;
 - 34.1.6 not use or permit the use of the **Property** for any illegal or immoral purpose;
 - 34.1.7 promptly and in any event, within 7 days of receipt by you, supply us with a copy of any notice received by you relating to the **Property**, and, if we reasonably require, and at your expense, you will join with us in agreeing to or objecting to anything proposed in connection with the **Property** whether or not such proposal is contained in a notice received by you;
 - 34.1.8 not, without obtaining our consent, dispose of the **Property** or create or agree to create any legal or equitable interest in favour of any other person over the **Property** other than letting the **Property** in accordance with Part 12;
 - 34.1.9 tell us about anything that might have a negative effect on the insurance of the **Property**; and
 - 34.1.10 tell us and the insurers of the **Property** if the **Property** is going to be vacant for more than 28 days.
- 34.2 We will consider any requests for consent from you in accordance with Condition 7 but we may require a fee and/or additional interest to be paid as a condition of giving our consent. If any fee is payable it may be set out in our tariff of charges. If it is not, we will set the fee and/or additional **Interest** at a reasonable amount and advise you in advance of giving our consent, taking into account the circumstances in question.

35 Buildings Insurance

- 35.1 While the **Debt** remains outstanding to us, you must, or if the **Property** is leasehold, you must ensure that the person responsible under its **Lease** must, keep the **Property** and its fixtures insured.
- 35.2 The policy must:
- 35.2.1 cover all normal risks, including fire, subsidence, aircraft, flood, any normal risks covered by an appropriate landlord insurance policy and any other risk which we may from time to time reasonably require;

- 35.2.2 be maintained until our **Standard Security** over the **Property** has been redeemed;
- 35.2.3 be for the full reinstatement value as set out in our mortgage valuation under a comprehensive index linked insurance policy issued by a reputable insurer; and
- 35.2.4 contain a heritable creditor's protection clause and have our interest noted (where possible).
- 35.3 Whenever we ask, you must be able to produce satisfactory proof that the policy is paid up and in force.
- 36 **Failure by You to Maintain Insurance**
 - 36.1 If we become aware that you are in breach of Condition 35, we will at your expense, insure our interest in the **Property**.
 - 36.2 Any insurance we arrange may be limited to the amount of the **Debt** and we will not be responsible for ensuring that the **Property** is adequately insured or suitable for your purposes.
 - 36.3 If we arrange any insurance for the **Property** through any agency, any sums paid by the agency to us by way of commission or otherwise will belong to us.
- 37 **Insurance Claims and Policy Proceeds**
 - 37.1 If a claim is made on the insurance you have a right to choose whether any money received by you or us in respect of the **Property** is used in making good the damage or loss that was the reason for the claim or put towards payment of the **Debt**, unless the **Property** cannot be lawfully repaired or the **Debt** has become payable under Condition 31, in which cases, the money must be applied in or towards payment of the **Debt** unless we agree otherwise.
- 37.2 **Early Repayment Charges** may apply to any repayment of the **Debt** made under Condition 37.1.

PART 12 - LETTING THE PROPERTY

- 38 **Ability to Let**
 - 38.1 The **Property** or any part of it must not be solely occupied by you and must be let to and occupied by persons other than yourself, whether before or after completion of your **Mortgage**.
 - 38.2 If the **Property** is already let or occupied prior to completion of your **Mortgage**, our solicitor must confirm to us that:
 - 38.2.1 none of the occupiers over 17 years old at the **Property** have rights of occupation which give any greater security of occupation than those presently given to a tenant under a **Tenancy**; and
 - 38.2.2 any present tenant(s) have not, throughout their occupation at the security address, had any form of agreement to occupy which gives any greater security of occupation than that presently given to a tenant under a **Tenancy**.
- 39 **Terms of Lettings**
 - 39.1 You must not enter into any letting or tenancy to or with any of the following:-
 - 39.1.1 your child, grandchild, parent, grandparent, sibling, husband, wife, civil partner or any other person with whom you have a relationship that is similar to a husband, wife or civil partner;
 - 39.1.2 companies (except in respect of relocation of staff);
 - 39.1.3 student lets where there are more than 4 occupants;
 - 39.1.4 holiday lettings;
 - 39.1.5 houses in multiple occupation or multiple tenancies with individual **Tenancies**;
 - 39.1.6 persons who could claim diplomatic immunity (i.e. diplomats from another country who are protected from prosecution under local laws); and
 - 39.1.7 persons who are not permitted to reside in the United Kingdom.

- 39.2 You must only make letting or tenancy agreements that are a **Tenancy**. The **Tenancy** must:
- 39.2.1 in the case of a short assured tenancy be for a duration of not less than 6 months and not more than 12 months and in the case of a private residential tenancy be for a duration of not less than 6 months and not confer any security of tenure beyond the rights granted at law by the Private Housing (Tenancies) (Scotland) Act 2016;
 - 39.2.2 be in writing and contain no unusual terms that materially adversely affect the **Property**;
 - 39.2.3 provide that no sub-letting is permitted;
 - 39.2.4 only allow the **Property** to be used as a private dwelling for occupation of the tenant and/or the tenant's immediate family for residential purposes;
 - 39.2.5 evidence payment of any appropriate land and buildings transaction tax (if applicable).
- 39.3 You must not give any notice to the tenant or do anything else which might give the tenant or prospective tenant any greater security of occupation than that presently given to a tenant under an **Tenancy**.
- 39.4 Any deposit paid to you by a tenant or prospective tenant must be held by a body approved by the Scottish Government pursuant to the requirements of the Tenancy Deposit Schemes (Scotland) Regulations 2011.
- 39.5 You must have and maintain a satisfactory landlord registration with the appropriate local authority under Part 8 of the Antisocial Behaviour etc. (Scotland) Act 2004 and, if the **Property** is subject to the selective licensing scheme laid down by Part 5 of the Housing (Scotland) Act 2006, you must have and maintain a satisfactory licence under the selective licensing scheme in relation to the **Property**.
- 39.6 We reserve the right to approve in writing any proposed letting of the **Property** prior to the execution of any **Tenancy**. We will not unreasonably withhold our written consent to the grant of a new **Tenancy** provided it complies with all the conditions outlined in this condition.
- 39.7 You must provide to us such financial or other information relating the **Property** as we may reasonably require from time to time, such as details of rent received.

40 Limits of our Responsibility

- 40.1 We are not qualified to advise, nor can we give advice to you about the viability of any letting of the **Property**, how easy to let it will be, the level of rent or income from it which you might be able to achieve, its future value, or, its present value or suitability for your purposes. The fact that we are prepared to make a **Loan** does not carry with it any representation by us as to any of these matters.
- 40.2 We have no control over the management of the **Property**, the creation of any lettings over it, or the choice or suitability or any occupant. Accordingly we can accept no responsibility with regard to any risk that you may create through a letting or tenancy where the tenant obtains security of occupation which is greater than you may have intended or as to the performance by the occupants of their obligations, whether to pay you money, look after the **Property**, leave it when required or otherwise.
- Please Note:** you will still be liable for your **Mortgage Monthly Payment** even when the **Property** is not let.

PART 13 - OUR RIGHTS AND POWERS

41 Our Rights over the Property

- 41.1 On not less than 48 hours **Notice** (save in the case of an urgent need to protect or preserve the **Property**) we may at any reasonable time enter the **Property** with our advisers, employees, contractors, equipment and materials to inspect and survey the **Property**. If you are in breach of any of your obligations contained in Condition 34, then we may enter the **Property** with or without our advisers, employees, contractors and with such equipment and materials as we may require to carry out any work or to do any acts to remedy the breach. Our **Costs** incurred in doing so will be payable by you, as set out in Condition 22.2.

41.2 The exercise of our rights under Condition 41.1 does not make us a mortgagee in possession (this means that we do not become the mortgagee under the property and inherit all the relevant obligations).

42 Our Powers in Connection with the Property

42.1 In this Condition references to the **Property** include your **Connected Rights**.

42.2 As soon as your **Mortgage** is advanced we have all the rights and powers referred to in Condition 42.4. For the purposes of Standard Condition 9(1) to the **Act** the **Debt** is due on the date of the **Standard Security**.

42.3 Although we have these rights:

42.3.1 we will not exercise them until the end of the **Term** or if the **Debt** has become repayable under Condition 31; and

42.3.2 you agree that we do not have to exercise them.

42.4 We have all the rights and powers, including to delegate to others, that we could exercise if we were the absolute owner of the **Property**, including the following:-

42.4.1 to take possession of the **Property**;

42.4.2 to collect and receive all rents and other payments in connection with the **Property** and we may apportion any rent received to the **Property** only and not to any furnishings, machinery, fixtures or anything else kept there;

42.4.3 to sell, lease or otherwise dispose of the **Property**. Schedule 3 to the **Act** sets out some powers in relation to the property, but we are able to dispose of the **Property** on such terms as we may in our discretion agree;

42.4.4 to cancel any **Lease**;

42.4.5 to commence, continue, defend, settle or bring to an end any proceedings of any kind in connection with the **Property**;

42.4.6 to buy out someone else's interest in the **Property**;

42.4.7 to do anything else which may be required in order to sell, **Lease**, manage or dispose of the **Property**;

42.4.8 to make and carry out any repairs and other maintenance works required in respect of the **Property**, including those reasonably necessary to complete to a reasonably satisfactory standard any unfinished building or maintenance work commenced by you;

42.4.9 to maintain, renew or obtain insurances for the **Property**; and

42.4.10 for the purpose of and in the exercise of our above powers to appoint, employ, pay and dismiss staff, contractors and agents.

42.5 In no circumstances will we be required to account to you for any monies which we do not actually receive, whether as mortgagee in possession or for any other reason.

42.6 At any time after entering possession of the **Property** under Condition 42.4.1 we may give up possession and subsequently, without giving notice or demanding payment again, enter into possession of the **Property**.

43 Belongings Left at the Property

43.1 If you are ordered to give up or we take possession of the **Property**, you must remove all your belongings from it, including any furniture, pets, livestock or any other goods.

43.2 Any belongings that are not removed by you prior to our obtaining possession may be disposed of at your expense (whether by removal, sale, destruction or gift).

43.3 We may appoint independent contractors for this purpose and you acknowledge that they will be ordinary clearance contractors, and act as your, not our, agents using their reasonable discretion and

will not have any training or skill in identifying the value or saleability or particular handling requirements of any item.

- 43.4 Unless we have express notice that any item is of special value or that the contractors are dishonest, we have no responsibility for any loss or damage caused by any want of skill, care or dishonesty on the part of the independent contractors.
- 43.5 If any items are sold and we receive the proceeds, we will pay you what is left after deducting the expense (including the cost) incurred in and about the disposal.
- 43.6 This Condition will not create any charge security or bill of sale over any of the items described in Condition 43.

44 Power of Attorney

- 44.1 As security for payment of the **Debt**, you appoint us to be your attorney in your name and on your behalf:
 - 44.1.1 to execute and deliver any deed or document in respect of the **Property** or your **Connected Rights**;
 - 44.1.2 to exercise any rights, powers or duties you have in connection with the **Property** or your **Connected Rights**; and
 - 44.1.3 to do anything else which we or any receiver we appoint thinks necessary or desirable to perfect your **Mortgage**, exercise any powers granted to us or any receiver by the **Conditions** or to preserve the value of the **Property** or your **Connected Rights**.

PART 14 - GENERAL PROVISIONS

45 Certificate of Sums Due

In the absence of an obvious error, a certificate in writing signed by any one of our **Officers** of the amount of the **Debt** or any part of it will be binding upon you.

46 Notices

- 46.1 Any **Notice** will be deemed to be served on you if it is in writing and if:
 - 46.1.1 it is left at or sent by pre-paid ordinary, registered or recorded delivery post addressed to your address shown from time to time in the register of members of the **Society**, or at your address in the United Kingdom last known to us, or at the **Property**; and
 - 46.1.2 any **Notice** posted to you will be deemed to have been received by you 48 hours after posting.
- 46.2 Any **Notice** to be given by you may be left at or sent by post to our principal office or the branch where your mortgage account is maintained. The current address of our principal office is stated in the **Standard Security**. Any **Notice** sent by you by post will be served at the time we actually receive it.
- 46.3 Where there is more than one of you **Notice** served on any one of you will be deemed to have been served on all of you.
- 46.4 You agree to accept service of any Court proceedings, and that they will be deemed to be properly served, if they are served in accordance with this Condition.

47 Continuing and Independent Security

- 47.1 Your **Mortgage** will remain in full force and effect whether or not: -
 - 47.1.1 we allow you any time or indulgence before enforcing any of our rights; or
 - 47.1.2 we waive any breach of the **Conditions** or fail to take immediate action following any breach.
- 47.2 Your **Mortgage** is in addition to, and independent of, any other security (including any guarantee given by you) which we may at any time hold for any of the **Debt**.

- 47.3 If there is more than one of you we may at any time:
- 47.3.1 release or discharge any of you from your liability under the **Mortgage**; or
 - 47.3.2 give time for payment to accept any composition from or make any other arrangements with any of you,
- and if we do, this will not discharge or release or otherwise prejudice or affect our rights against any of the rest of you.
- 47.4 If your **Mortgage** is affected by any invalidity or lack of enforceability, disability, lack of capacity, or irregularity against any of you, each of you agrees as a separate obligation:
- 47.4.1 that this will not affect the **Debt** of any of the rest of you;
 - 47.4.2 none of the rest of you will be released from the **Debt**.

48 Transfer of Mortgage by Us

- 48.1 We may at any time in our discretion, without your consent or the consent of any surety or anyone else, sell or transfer to any person the benefit of all or part of your **Mortgage**, any related security and all legal or equitable rights under the same.
- 48.2 If and so often as any such sale or transfer occurs, you and any surety will be bound to the transferee in respect of the obligations transferred to the same extent as you or they were originally bound to us.
- 48.3 If we sell or transfer any or all of our rights, benefits or obligations, your own rights and obligations under your **Mortgage** will stay exactly the same but you will be bound to any person or organisation to whom we sell or transfer. That person or organisation will have all our rights and powers instead of us.
- 48.4 Upon any such transfer your own rights and obligations under your **Mortgage** will stay exactly the same save that references to the **Standard Variable Rate** shall be the rate of interest determined from time to time by the transferee.
- 48.5 We may pass to any transferee or potential transferee any documentation or information which you supplied in connection with any **Offer** or relating to the **Property**, your **Mortgage** or the conduct of your account. You agree that any transferee may rely upon the truthfulness and accuracy of any such documentation or information supplied by you.

49 Changing these Conditions

- 49.1 We can change these **Conditions** and/or terms on which your **Mortgage** is held if we reasonably believe that the change is needed for any of the following reasons:
- 49.1.1 there is a change in the law (including tax law), the interpretation of the law, the decisions of any court or ombudsman or any requirements or guidance of a regulatory authority;
 - 49.1.2 to make the **Conditions** clearer or fairer;
 - 49.1.3 to provide you with further benefits or services in relation to your **Mortgage**;
 - 49.1.4 to enable us to, in a reasonable manner, harmonise the **Conditions** of our customers, including following an acquisition of mortgages or investments or a takeover or merger with another mortgage provider.
- 49.2 A change to these **Conditions** will not take effect until at least 28 days after we give you **Notice** of it.

50 Waiver of Rights

No waiver, failure or delay by us in enforcing our rights under these **Conditions** will affect our rights under these **Conditions** in the future. If we decide not to take action over any breach, this does not imply that we must or will ignore any future breach.

51 Handling Customer Complaints

Unfortunately, mistakes are occasionally made by the **Society**. A leaflet entitled 'Our complaints procedure' provides full details of our complaints procedure, a copy of which is available from your local branch or by calling us on 0345 734 4345. If you are not satisfied with the way we deal with your complaint you may be entitled to refer this to the Financial Ombudsman Service at: Exchange Tower, Harbour Exchange Square, London, E14 9SR
Tel: 0300 123 9 123. www.financial-ombudsman.org.uk

PART 15 - THE STANDARD CONDITIONS

These are the Standard Conditions contained in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended:

THE STANDARD CONDITIONS

Maintenance and repair.

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

Completion of buildings etc. and prohibition of alterations etc.

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

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

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

Planning notices, etc.

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

Insurance.

- 5 It shall be an obligation on the debtor –
- (a) to insure the security subjects or, at the option of the creditor, to permit the creditor to insure the security subjects in the names of the creditor and the debtor to the extent of the market value thereof against the risk of fire and such other risks as the creditor may reasonably require;
 - (b) to deposit any policy of insurance effected by the debtor for the aforesaid purpose with the creditor;
 - (c) to pay any premium due in respect of any such policy, and, where the creditor so requests, to exhibit a receipt therefor not later than the fourteenth day after the renewal date of the policy;
 - (d) to intimate to the creditor, within fourteen days of the occurrence, any occurrence which may give rise to a claim under the policy, and to authorise the creditor to negotiate the settlement of the claim;
 - (e) without prejudice to any obligation to the contrary enforceable against him, to comply with any reasonable requirement of the creditor as to the application of any sum received in respect of such a claim;
 - (f) to refrain from any act or omission which would invalidate the policy.

Restriction on letting.

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

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

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

Calling-up.

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

Default.

- 9
- (1) The debtor shall be held to be in default in any of the following circumstances, that is to say –
 - (a) where a calling-up notice in respect of the security has been served and has not been complied with;
 - (b) where there has been a failure to comply with any other requirement arising out of the security;
 - (c) where the proprietor of the security subjects has become insolvent.
 - (2) For the purposes of this condition, the proprietor shall be taken to be insolvent if –
 - (a) he has become notour bankrupt, or he has executed a trust deed for behoof of, or has made a composition contract or arrangement with, his creditors;
 - (b) he has died and a judicial factor has been appointed under section 11A of the Judicial Factors (Scotland) Act 1889 to divide his insolvent estate among his creditors, or his estate falls to be administered in accordance with an order under section 421 of the Insolvency Act 1986;

- (c) where the proprietor is a company, a winding-up order has been made with respect to it, or a resolution for voluntary winding-up (other than a members' voluntary winding-up) has been passed with respect to it, or a receiver or manager of its undertaking has been duly appointed, or possession has been taken, by or on behalf of the holders of any debentures secured by a floating charge, of any property of the company comprised in or subject to the charge.

Rights of creditor on default.

- 10
- (1) Where the debtor is in default, the creditor may, without prejudice to his exercising any other remedy arising from the contract to which the standard security relates, exercise, in accordance with the provisions of Part II of this Act and of any other enactment applying to standard securities, such of the remedies specified in the following sub-paragraphs of this standard condition as he may consider appropriate.
 - (2) He may proceed to sell the security subjects or any part thereof.
 - (3) He may enter into possession of the security subjects and may receive or recover the rents of those subjects or any part thereof.
 - (4) Where he has entered into possession as aforesaid, he may let the security subjects or any part thereof.
 - (5) Where he has entered into possession as aforesaid there shall be transferred to him all the rights of the debtor in relation to the granting of leases or rights of occupancy over the security subjects and to the management and maintenance of those subjects.
 - (6) He may effect all such repairs and may make good such defects as are necessary to maintain the security subjects in good and sufficient repair, and may effect such reconstruction, alteration and improvement on the subjects as would be expected of a prudent proprietor to maintain the market value of the subjects, and for the aforesaid purposes may enter on the subjects at all reasonable times.
 - (7) He may apply to the court for a decree of foreclosure.

Exercise of right of redemption.

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

- 12 The debtor shall be personally liable to the creditor for the whole expenses of the preparation and execution of the standard security and any variation, restriction and discharge thereof and, where any of those deeds are registered or recorded, the registration or recording thereof, and all expenses reasonably incurred by the creditor in calling-up the security and realising or attempting to realise the security subjects, or any part thereof, and exercising any other powers conferred upon him by the security.

Interpretation

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

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

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