Mortgage Conditions

and Explanations 2007

marsden

BUILDING SOCIETY

established 1860

Principal Office 6-20 Russell Street Nelson Lancashire BB9 7NJ

MORTGAGE CONDITIONS AND EXPLANATIONS 2007

The paragraphs headed “Introduction” and “Membership Rights” below are included purely for the purposes of clarity and do not form part of or amend the Mortgage Conditions and Explanations.

INTRODUCTION

This booklet explains how your mortgage works. It defines the terms used in the mortgage documents and sets out in detail the conditions that you accept when you sign your mortgage deed.

If you have any queries about these Conditions or Explanations, we will be pleased to help you. The paragraphs in this booklet are numbered in order to make it easy for you to refer to individual details if you have questions to ask.

Your solicitor should advise you about these Conditions and Explanations and the commitment you make when you take out a mortgage.

When you sign a mortgage deed, you automatically become a member of the Society and you will be bound by the Society’s Rules.

We suggest that you keep this booklet in a safe place in case you want to check the Conditions and Explanations that apply to your mortgage.

MEMBERSHIP RIGHTS

If there is more than one of you, the first named applicant in the mortgage application form will be the Society’s member with borrowing membership rights. He or she is known as the representative joint borrower. If you wish to change the person who is the representative joint borrower, you can do so by giving notice to us. The change will take effect when the Society’s records are amended.

The name provided in the mortgage application form must be in the same style as on any other account held with the Society to ensure that the Society does not provide duplicate mailings to you. Any previous error or discrepancy must be notified to the Society as soon as possible.

Membership will cease if the Society exercises its power of sale or takes possession of the property, and may cease if the Society transfers the mortgage under Condition N.

FINANCIAL YEAR

The Society’s financial year is currently the period of 12 months ending on 31 December.

MORTGAGE CONDITIONS AND EXPLANATIONS 2007

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EXPLANATION OF TERMS IN THESE CONDITIONS

Throughout this booklet, the terms set out here are in bold print. When **you** come across a word in bold print when reading these Conditions this will remind **you** to look here for the meaning of those words. If there are other terms that **you** do not understand, your solicitor should always be pleased to help you. These Explanations form part of your agreement with **us**.

1. **Additional Borrowing** is any sum of money lent by **us** under the **Mortgage Deed** after the original **Loan**. It does not include any loan which is a regulated agreement as defined by the Consumer Credit Act 1974. Any **Additional Borrowing** is subject to these **Conditions** and Explanations and any variation made at that time.

2. **Assignment** is an agreement under which the benefit of a **Life Policy** is given to **us** for the term of the **Mortgage**. Instead of an **Assignment**, **we** may require **you** to deposit (that is to say, let **us** have possession of) the **Policy** during the term of the **Mortgage** (see **Condition** I). The **Mortgage Offer** will state if **we** require an **Assignment** or deposit for your **Mortgage**.

3. **Borrower** means the person or persons shown as **Borrower** in the **Mortgage Offer** and includes successors in **Title**. If two or more people are the **Borrower** then each one of them is liable for the whole of the **Total Debt**.

4. **Capital Repayment** is an amount of at least the figure specified in the **Mortgage Offer** (or such other amount as **we** may specify in the future) paid to **us**, in addition to your **Monthly Payment** and any other amounts then due and payable. A **Capital Repayment** may be paid during a **Special Mortgage Scheme** if the rules of the Scheme allow, but early repayment charges may also be payable.

5. **Completion Date** is the date on which **we** release funds for the **Loan**, that is to say, the day **we** post a cheque, or make an electronic transfer of money, to **you** or your solicitor or any other person on your behalf.

6. **Condition** is a **Condition** or Explanation set out in this booklet.

7. **Covenant** is a promise by **you** to **us** to do certain things under the **Mortgage**.

8. **Endowment Policy** is a life assurance policy that pays a sum assured on a pre-determined maturity date or death of the **Policy Owner** if earlier. A premium is paid to the life assurance company which in return provides a guaranteed level of life cover with the expectation that the policy will produce a given maturity value at the end of the term of the policy. The policy term must not exceed the **Mortgage Term**. It is your responsibility to ensure that the maturity value of any **Endowment Policy** is adequate to repay your **Mortgage**. Annual checks with the life assurance company should be made by **you** to ensure that the **Endowment Policy** is on target to pay your **Mortgage** at the end of the **Mortgage Term**. If it is insufficient **you** will have to pay **Interest** on the debt until it is repaid.

9. **Financial Year** is the financial year for the Society as set out in our Rules. **We** may change the **Financial Year** but, if **we** do, **we** will ensure that **you** will not be worse off as a result.

10. **Guarantor** is any person who has agreed to guarantee your responsibilities which are set out in these **Conditions** and Explanations should **you** fail to carry them out. The Guarantor will be named in the **Mortgage Offer**. The **Guarantor** will also include the personal representatives of the **Guarantor** if he or she should die. A **Guarantor** may or may not provide additional security by way of an additional **Property** which will be secured by a legal charge. **You** consent to our providing details of your **Mortgage** to any **Guarantor**.

11. **Higher Lending Charge** means a higher lending fee, which **we** usually charge if the amount **you** are borrowing is more than the maximum loan **we** would normally make on the **Property**. Part of this fee may be used by **us** to purchase additional security in the form of indemnity insurance. If **we** do purchase indemnity insurance this in no way affects your liability and promise to repay all monies owed to **us** in full, despite any claim that might be made by the Society on the insurance company, in the event that the **Property** is **Taken into Possession** and sold by **us** for less than the amount **you** owe. The insurer has the right to recover from **you** any monies paid to **us** under the indemnity insurance. **We** may seek to recover on the insurer's behalf the money **you** owe at the same time as recovering the balance of our loss which was not covered by indemnity insurance. The amount of the **Higher Lending**

Charge (if any) is shown on your **Mortgage Offer**. If **you** require a fuller explanation of indemnity insurance, please ask your solicitor.

12. **Insurance** means Buildings or Buildings and Contents insurance where the Society is arranging your **Property** insurance. **We** will tell **you** where premiums will be debited to the **Mortgage** account. Where premiums are debited to the **Mortgage** account the portion of the **Insurance** premium not paid by **you** by the end of the **Interest Period** will be added to the **Total Debt** at the end of the **Month** in which the premium was debited.

13. **Interest** means interest at the rate that applies to your **Mortgage** as specified in the **Mortgage Offer**. The rate of **Interest** may vary from time to time in accordance with **Condition** D. **Interest** will be charged and is payable on the **Loan** from the **Completion Date**. This applies even if **we** obtain a court order against **you** for payment of some or all of the **Total Debt**.

14. **Interest Period** means a **Financial Year** or any shorter period shown as the interest period in your **Mortgage Offer**. **We** may decide to reduce the **Interest Period**, if it is more than a day (so that, for example, **we** may change a **Mortgage** from yearly to daily interest). If **we** do this **we** will give **you** at least 30 days' advance notice of the change.

15. **Life Policy** means an **Endowment Policy** or other life assurance policy.

16. **Loan** is any sum of money which **we** lend to **you** under the **Mortgage Deed**. It includes further loans made after the date of the original loan. It does not include any loan which is a regulated agreement as defined by the Consumer Credit Act 1974. In releasing any **Loan** money to **you**, **we** do not guarantee that either the price or condition of the **Property** is reasonable. **You** must satisfy yourself on these points.

17. **Month** is a calendar month.

18. **Monthly Payment** is the amount which **you** must pay each **Month** on the **Payment Day**. Your initial **Monthly Payment** will be shown on your **Mortgage Offer**, but **we** may change the **Monthly Payment** in accordance with **Condition** E.

19. **Mortgage** is the entire legal agreement under which **we** lend **you** money and includes the **Mortgage Deed**, these **Conditions** and Explanations, and your **Mortgage Offer**. By signing the **Mortgage Deed** **you** promise **us** that **you** will comply with everything contained in your **Mortgage Deed**, **Mortgage Offer** and these **Conditions** and Explanations and that **you** understand all the terms.

    If there is any inconsistency between these **Conditions** and Explanations and the **Mortgage Offer**, the **Mortgage Offer** will prevail.

    The **Mortgage Deed** gives **us** certain rights over your **Property**. These rights may be exercised by **us** if **you** break the Conditions and Explanations of the **Mortgage**. If, for example, **you** fail to pay any of your **Monthly Payments** on time, **we** are entitled to take over your **Property** to sell it in order to recover the money **you** owe **us**. Our rights under the **Mortgage** continue until **you** have repaid all the money **you** owe **us**, including all **Interest** and any other charges.

    You cannot take out a **Mortgage** with **us** if **you** are under 18 years old.

    There are different types of **Mortgage**s.

    Repayment Mortgage

    If **you** have a **Repayment Mortgage** with the Society the payments made comprise capital and **Interest**. The **Monthly Payment** is calculated so as to pay off the **Total Debt** by the end of the **Mortgage Term**, providing payments are made on time and in full.

    There is no life cover in force in connection with a **Repayment Mortgage** unless **you** have made separate arrangements for this. **You** are recommended to make your own arrangements for life cover protection if **you** have not already done so.

    Endowment Mortgage

    If **you** have an **Endowment Mortgage** with the Society, the monthly payments **you** make to the Society consist of **Interest** only. They do not include any amount for the **Endowment Policy**, which is

your responsibility. **You** must ensure that the guaranteed death benefit covers the amount of your **Mortgage** and that the maturity value is sufficient to redeem your **Mortgage** at the end of the **Mortgage Term**. It is your responsibility to make annual checks to ensure that policy proceeds will be adequate for this purpose. **You** must pay the premiums directly to the life assurance company. The term of the **Endowment Policy** must not be longer than the **Mortgage Term**.

You must make sure that **you** have **Assigned** to the Society the **Endowment Policy** (if **we** so require) and that it has sufficient guaranteed death benefit to repay your **Mortgage** in full.

Interest Only Mortgage

If **you** have an **Interest Only Mortgage** the monthly payments **you** make to the Society consist of **Interest** only. **You** will not have given to the Society any **Assignment** or security over any other means of repaying the capital amount of your **Mortgage** at the end of the **Mortgage Term** (e.g. ISA investment, pension plan). As there is no life cover in force in connection with your **Mortgage you** must make separate arrangements for this.

Your **Mortgage** may be made up of different elements, so that part of it is on a **Repayment** basis, and part of it is on an **Endowment** or **Interest Only** basis. Your **Mortgage Offer** will say if this is the case.

It is your responsibility to make certain that **you** have adequate capital available to pay the **Total Debt** at the end of the **Mortgage Term**. In order to achieve this **you** must ensure that an adequate repayment method is in place and **you** should check this annually. If an adequate repayment method is not in place **you** must ask **us** to convert your **Mortgage** to a **Repayment Mortgage** in order that your **Monthly Payment** will comprise capital as well as **Interest**. If your **Mortgage** is not paid off at the end of the **Mortgage Term**, **Interest** will be charged on the amount outstanding until it is fully paid off.

You must remember that if **you** pay your **Mortgage** early or surrender an investment or there is a change in your personal circumstances (for example long-term sickness or relationship breakdown) this can have an adverse financial consequence depending on the particular type of **Mortgage** or investment.

20. **Mortgage Deed** is the legal document **you** sign to give **us** security over the **Property**, and to say **you** understand all these **Conditions** and Explanations and that **you** will comply with all of them. These **Conditions** and Explanations have the same meaning in the **Mortgage Deed**.

21. **Mortgage Offer** means our written offer of loan to you. Your **Mortgage Offer** may consist of more than one document. **We** may withdraw a **Mortgage Offer** at our discretion. **We** will only do this in cases of fraud, misrepresentation, non disclosure of material information or **Title** defect, or any other matter that comes to light which adversely affects the value of the **Property** as security for a **Loan**, or which is inconsistent with the basis on which **we** made the **Mortgage Offer**. **We** will not be responsible to **you** for any loss if **we** withdraw a **Mortgage Offer**. If **you** do not accept the **Mortgage Offer you** will not be responsible for any loss suffered by **us**, although **you** must pay for any **Property Assessment Report** that has been carried out on the **Property**. Remember that **you** will be responsible for your own Solicitor's costs if **you** do not proceed with the **Mortgage**. Check your **Mortgage Offer** to find out when it will lapse.

22. **Mortgage Term** is the period of time (usually up to 25 years) during which **you** agree to repay the **Loan** to **us** and is shown on your **Mortgage Offer**. This may be varied by agreement with ourselves. The **Total Debt** must be paid by **you** before or at the end of the **Mortgage Term**. If **you** have selected a term that extends beyond your anticipated date of retirement then **you** must ensure that **you** have adequate means to repay your **Mortgage** during retirement.

23. **Other Rights** mean:

    (1) Any rights to which **you** may become entitled in respect of the **Property** for whatever reason. They may include:-

        (a) compensation or other money received or receivable in respect of damage caused to the **Property** or because it (or any part of it) has reduced in value, or been compulsorily purchased;

        (b) any agreement, option, right of pre-emption, guarantee or indemnity relating to the **Property** or its construction, state or condition;

(c) any share in or rights of membership in a management company, tenants' or residents' association relating to the **Property**;

(d) the benefit of any right to obtain the improvement of, or any payment in connection with, any roads, sewers, drains and other services or amenities relating to the **Property**;

(e) any policy providing insurance against any of the following risks, namely a defect in **Title** to the **Property**, an adverse right being enforced against the **Property** or revealed in a local authority search and an earlier dealing with the **Property** being set aside or varied by the Court.

(2) Any other benefits which **you** may have or receive in respect of the **Property**, but not including money or grants payable to **you** in respect of maintenance or improvement of the **Property** or any money from an insurance policy which **between you** and **us** is dealt with in **Conditions** H, I and J.

24. **Payment Day** means the day specified as such in the **Mortgage Offer**.

25. **Planning and Housing Acts** means Acts of Parliament or Statutory Instruments in force from time to time relating to town and country planning and housing matters.

26. **Policy Owner** means **you** if **you** are the owner of any **Life Policy** that is to be **Assigned** to, or deposited with, **us** in connection with the **Mortgage**. It can also mean any other person owning a **Life Policy** that is to be used in connection with the **Mortgage**. The **Policy Owner** also means anyone who takes over a **Life Policy** and who is not the original **Policy Owner**.

27. **Power of Sale** is when **we** are entitled to sell the **Property**. This may happen whether or not **we** are in possession of the **Property**.

28. **Property** means all the Property (or any part of it) described in the **Mortgage Deed**. It includes all fixtures and buildings of any kind (including fixtures and buildings added after the **Completion Date**).

29. A **Property Assessment Report** is a report obtained by the Society for its own purposes to assess the adequacy of the **Property** as security before releasing any **Loan.**

30. **Receiver** is a person appointed to manage the **Property** when **you** have not fulfilled one or more of your covenants to **us** or when **we** can exercise our **Power of Sale**. The **Receiver** may be an officer of the Society. Your solicitor should explain this to **you**. The appointment of a **Receiver** does not mean that the **Property** has been **Taken into Possession** unless **you** are specifically notified by the **Receiver** or **us** that the **Property** has been **Taken into Possession**. A **Receiver** is an agent of yours. Therefore **you** (and not **us**) are responsible for actions of the **Receiver**.

31. **Special Mortgage Scheme** is any product which is not at our **Standard Variable Rate** or is at our **Standard Variable Rate** but **you** have had the benefit of a cashback or other scheme benefit. A **Special Mortgage Scheme** may be for a specified period as set out in your **Mortgage Offer** conditions.

32. **Standard Variable Rate** means our standard variable rate of interest.

33. **Taken into Possession** means that the Society or a **Receiver** has taken over your **Property**. Your rights, which might include receiving income produced by the **Property** such as rent paid by tenants, are also taken over. If the **Property** is **Taken into Possession** this does not necessarily mean that **we** actually occupy it. **We** can also appoint a **Receiver** to take over these responsibilities.

34. **Tariff of Mortgage Charges** means a list of charges that apply to your **Mortgage**. Our **Tariff of Mortgage Charges** will be sent to **you** annually with your annual mortgage statement showing current fees payable.

35. **Title** is the documentary evidence that gives **you** proof of ownership of the **Property**.

36. **Total Debt** is the total amount **you** owe **us** under the **Mortgage**. It is explained in more detail in **Condition** A1.

37. **We** and **us** and the Society means Marsden Building Society, and anyone who takes over the **Mortgage** from **us**.

38. **You** means the **Borrower** and anyone who takes over your responsibilities for the payment of the **Mortgage**. If there is more than one **Borrower** then all these **Conditions** and Explanations apply equally and separately to each of you. That means each of **you** is responsible on your own for the whole of the **Total Debt**.

A BORROWER'S AND GUARANTOR'S COVENANTS

1. **You** and the **Guarantor** (if any) **Covenant** to **us**:-

1.1 To make **Monthly Payment**s beginning with a payment on the first **Payment Day** and continuing until your **Total Debt** has been fully repaid, and to repay the **Total Debt** on or before the end of the **Mortgage Term**.

The **Total Debt** is all the money **you** owe **us** under the **Mortgage**. It includes the following:-

(a) the **Loan** and any **Additional Borrowing** (less repayments made);

(b) **Interest** on all **Loans**;

(c) **Interest** on any arrears of payments, in accordance with these **Conditions** and Explanations;

(d) any money owing to **us** as a result of your repaying the **Loan** or part of the **Loan** early under a **Special Mortgage Scheme**. If **you** have taken out a **Special Mortgage Scheme** details of any **Interest**, costs and other charges will be set out in the **Mortgage Offer**;

(e) any other early settlement charges or **Interest** due;

(f) all costs and expenses notified to **you** in respect of the arrangement of any **Loan** whether or not it is actually made;

(g) all insurance premiums which **we** have paid on your behalf (whether or not **we** arranged the insurance);

(h) any reasonable costs or expenses **we** incur in taking or defending any court actions in order to protect our security or any **Loan**;

(i) any other money, costs, expenses, fees or additional **Interest** that may become due and owing by **you** to **us** under these **Conditions** and Explanations, the **Mortgage Offer** or the Rules or by Law whenever they fall due.

1.2 To pay the insurance premium if **you** are responsible for insuring the **Property**. The **Mortgage Offer** will state if **we** are to insure the **Property** for **you**. It is your responsibility to ensure that the **Property** is insured at all times. (See also **Condition** H.)

1.3 To do whatever is required by the **Mortgage** for as long as any of the **Total Debt** is unpaid.

1.4 To do whatever is required by the deeds and documents affecting the **Property** and to comply with all regulations of the local or other authority including planning conditions which affect the **Property**.

1.5 To complete (properly and without delay) any building work that is being carried out on the **Property** at the time your **Mortgage** is signed or at a later date.

1.6 To allow **us** to visit and inspect the **Property** at any reasonable time to ensure **you** have complied with your **Conditions** and Explanations or to obtain an assessment of the **Property**. Except in an emergency, **we** will give **you** reasonable notice of any inspection **we** propose to make.

1.7 To keep the **Property** in good repair and to allow **us** or a **Receiver** to inspect the **Property** at a

time that is convenient for **you** upon reasonable prior notice. If it is not in good repair the Society may require **you** to ensure that it is. It may require **you** also to complete any building works. **We** may also carry out works on the **Property** to ensure the **Property** is in good repair if **you** do not do so. **You** agree to pay **us** any costs and expenses **we** incur in this respect (see **Condition** R1).

1.8 Unless **you** obtain our written consent (which **we** will not unreasonably refuse) in advance, not to allow anyone to live in your **Property** or share occupation with **you** or grant any tenancy agreement or lease. If **you** do so, **we** are not bound by the conditions of such an agreement. Any consent that **we** may give may be subject to a fee or other charge, and will be consent for those people only and for a set period. It will not be consent for future occupiers or for any extended periods. Therefore **you** must ensure that consent is given by **us** before any future occupiers live in the **Property** or any extensions of time are given.

1.9 To comply fully with **Planning and Housing Acts** or any other legislation in relation to your **Property**. Your local authority may issue notices that relate to the **Property**. If that happens, **you** must send **us** a copy of the notices and keep **us** informed about your progress in complying with them. If **you** fail to comply **we** may carry out any necessary work. **You** agree to pay **us** any costs and expenses **we** incur in this respect. (See **Condition** R1.)

1.10 To obtain our written consent (which **we** will not unreasonably refuse) before making any alterations or additions to the **Property** or before changing its use. These works may require planning permission and/or building regulation consent, and **you** must ensure **you** comply with any **Planning and Housing Acts**.

1.11 Not to allow anything to be done to the **Property** which might increase your insurance premiums unless **you** obtain our written consent in advance.

1.12 Not to damage the **Property** or do anything to lessen its value in any way.

1.13 To ensure that all taxes, service charges, rates and rents are paid promptly in respect of the **Property**. **We** may have to pay any of these if they are not paid by you, to ensure that your and our rights in the **Property** are protected. **You** agree to pay **us** any costs and expenses **we** incur in this respect. (See **Condition** R1.)

1.14 Not to apply for a grant on the **Property** without first writing to **us**. If it is a grant from a local authority **you** will have to ask for our consent. The reason for this is that the grant may have to be paid back in certain circumstances prior to this **Mortgage**.

1.15 Not to take out any other loan secured on the **Property**, or otherwise create any charge over the **Property**, without first getting our written consent.

1.16 Not without our consent to sell or transfer the **Property** or any part of it to any other person.

1.17 If the **Property** is leasehold, not to ask your landlord for an extension of the lease, or agree any alteration to it, without our consent (which **we** will not unreasonably refuse). **You** must send **us** a copy of any notice **you** give or send to your landlord. If **we** give our consent **you** must comply with any conditions **we** require as a condition of our consent.

1.18 To ensure that, if the **Property** is sold by the Society and the sale proceeds after payment of any costs and expenses are less than the **Total Debt**, **you** immediately pay the shortfall to the Society with **Interest**.

1.19 To pay back the **Total Debt** if **we** give **you** at least three months' prior notice in writing. In these circumstances **we** would not charge any additional **Interest** or other charges, as set out in **Condition** F3.

2. If **you** fail to perform any of your obligations under these **Conditions**, **we** can perform them instead of **you** and pay any money which is necessary to perform them. **You** agree to pay **us** any costs and expenses **we** incur in this respect. (See **Condition** R1.)

3. If **you** fail to observe any of these obligations **we** have the right to sell your **Property** to recover the money **we** have lent you. If that happens the sale may not produce enough money to repay the **Total Debt**. In that case **you** will owe **us** the amount outstanding and **Interest** on that amount will be charged until full repayment has been made.

B POWERS OF THE SOCIETY

This section sets out the legal powers **you** will give **us** when **you** sign your **Mortgage Deed** and highlights some of the consequences if **you** fail to observe the **Conditions** of your **Mortgage**.

1. If **you** break any of your legal obligations under your **Mortgage**, **we** are entitled to do whatever may be necessary to fulfil those obligations on your behalf in order to protect the value of the **Property**. This may mean that **we** need to enter the **Property**. If **we** do so, that does not necessarily mean that **we** have **Taken** the **Property into Possession**. Except in an emergency, **we** will give **you** reasonable notice if **we** intend to enter the **Property**.

2. Under the Law of Property Act 1925 **we** have to tell **you** when the **Total Debt** becomes due and payable. For this purpose the **Total Debt** will become due on the date of the **Mortgage**.

3. The **Total Debt** will become immediately due and payable, and **we** will be able to exercise the **Power of Sale** or appoint a **Receiver,** without giving **you** any notice if **you** are in breach of any of the **Conditions** of your **Mortgage** or any one of the following happens (and for this purpose therefore the restrictions in Section 103 of the Law of Property Act 1925 shall not apply to your **Mortgage**):-

   3.1 if **you** do not pay two **Monthly Payments** at the time they are due and payable;

   3.2 if a bankruptcy order is made against **you** or the **Guarantor** (if there is one) or **you** or the **Guarantor** enters into any arrangement with or for the benefit of the creditors of **you** or your **Guarantor**;

   3.3 if **you** fail to observe any other **Condition** or Explanation of your **Mortgage** (whether or not **you** keep up your **Monthly Payments**);

   3.4 if the **Property** becomes subject to a compulsory purchase order or if it is acquired or requisitioned by any authority legally entitled to do so;

   3.5 if **you** give the **Property** to **us** or if **you** abandon it;

   3.6 if any part of the **Property** is demolished without our consent;

   3.7 if any payment which is due under the **Insurance** is not paid or if the **Property** is not insured by **you** as promised;

   3.8 if a payment which is due under any **Life Policy** which has been **Assigned** or deposited with **us** is not paid;

   3.9 at the end of the notice given under **Condition** A1.18.

4. At any time or times after our **Power of Sale** has become exercisable **we** (or a **Receiver** appointed by **us**) may do any of the following:-

   4.1 take possession of the **Property** and require **you** to leave it;

   4.2 require any tenants or workmen or others who may be in the possession of the **Property** to leave it unless they are there with our consent;

   4.3 carry out all the powers which are given to **us** and the **Receiver** by the Law of Property Act 1925 (except that the restrictions which are imposed by Section 103 of that Act will not apply) or the Insolvency Act 1986;

   4.4 accept surrenders of leases and grant or renew leases or tenancies of the **Property**, or sell or otherwise dispose of it as **we** think fit;

   4.5 arrange and carry out all repairs, works, alterations, demolition, change of use under **Planning and Housing Acts**, additions, road schemes and developments to the **Property** and generally to manage the **Property** as **we** think fit;

   4.6 employ and also pay persons for carrying out any of these powers at a price or fee and upon

any terms as **we** think fit;

4.7 let and manage the **Property** (but this will be at your risk);

4.8 put any money which **we** receive in exercising any of these powers towards any future **Monthly Payments** that become due or towards other money that may be due or become due from **you** under these **Conditions** and Explanations;

4.9 at the time that **we** take possession of the **Property**, or afterwards, remove, store, sell or deal with any furniture or goods that **you** may have in the **Property** and that **you** have failed or have refused to remove. In exercising this additional power **we** will be acting as your agent. **We** will not be liable for any loss or damage that may occur and **you** will be responsible for our costs and expenses. (See **Condition** R1.) In carrying out this power **we** will not have any right to keep any of these items as security under the **Mortgage**;

4.10 after **we** have entered into possession of the **Property** or appointed a **Receiver** of it or any part of it, give up possession or remove a **Receiver** if **we** give notice to **you**;

4.11 retain all sums allowed to **us** by way of commission or otherwise. They will belong absolutely to **us** and **we** will not be required to disclose or give **you** the commission;

4.12 divide the **Property** as **we** see fit and sell any part of the **Property** separately. **We** may also sell the **Property** for a price to be paid in instalments over a period that **we** shall determine if **we** believe that **we** will be able to obtain a better price for the **Property**.

The Society will limit action taken under the powers detailed above under Condition B4 to those it considers reasonable and necessary to protect the security.

5. As the owner of the **Property**, **you** may belong to a management company or a tenants' or residents' association. If **we** have no **Mortgage** over those membership rights when **we** exercise our **Power of Sale** of the **Property**, **you** give **us** an irrevocable power of attorney to transfer your membership rights to the purchaser and to keep any payment made for the transfer.

6. When the **Property** is sold, either by **you** or by **us**, it may not realise enough money to repay your **Total Debt**. If that happens, **you** must immediately pay **us** the difference and **Interest** will continue to be charged on the amount **you** owe **us** until **we** have received payment of the **Total Debt** in full. Your **Guarantor** (if **you** have one) may also be asked to repay the outstanding amount. (See also **Condition** M.)

7. The money that **we** receive after **we** have exercised any of the powers contained in these **Conditions** and Explanations will be used as follows:-

7.1 first, **we** will pay all costs and expenses which have been incurred by **us** or any **Receiver** in exercising any of our rights under the **Mortgage** including the sale of the **Property** or any previous attempts to sell it;

7.2 second, **we** will use any remaining money towards repaying the **Total Debt**;

7.3 third, if any money remains after the **Total Debt** has been paid **we** will pay that surplus money to **you** or if **you** are not entitled to it to the persons who reasonably appear to **us** to be entitled to it (after making reasonable enquiries).

Section 109 of the Law of Property Act 1925 will apply as if the words "not exceeding five per centum on the gross amount of all monies received" were omitted from its subsection (6) and as if subsection (8)(iv) read "in payment of the money whether for interest or otherwise in arrear or accruing due under the mortgage". (This means a **Receiver**'s remuneration is not limited and alters the method by which a **Receiver** can apply money received.)

8. Our powers contained in the **Mortgage** are in addition to and are not instead of any other **powers** and remedies that **we** have by law. **We** will not be stopped from exercising any power given to **us** by law if **we** have already exercised any powers given in the **Mortgage**.

9. All costs and expenses that **we** pay or incur (or a Receiver that **we** appoint pays or incurs) in connection with any rights or powers given to **us** under this **Mortgage** in relation to the **Property** must be repaid by **you** to **us**. (See **Condition** R1.)

C INTEREST

1. **We** will charge and **you** will pay **Interest**:-

   1.1 for the whole of the **Interest Period** on the **Total Debt** at the end of the previous **Interest Period**;

   1.2 on any **Loan we** make to **you** during the **Interest Period** from the **Completion Date** of the **Loan** until the end of the **Interest Period**;

   1.3 on any costs and expenses or fees which become due from **you** during the **Interest Period**, in accordance with these **Conditions** and Explanations.

2. If unpaid **Interest** is capitalised other than at the end of the **Interest Period**, this will be specified in your **Mortgage Offer**.

3. **Yo**u should note that, if your **Interest Period** is a day (i.e. **Interest** is charged on a daily basis), then **you** will pay more interest if **you** choose to make your **Monthly Payment** on a day later than the **Payment Day**.

4. **Interest** for the period from the **Completion Date** of any **Loan** to the last day of that month should be paid separately to **us**. **We** will advise **you** of this amount following the release of the **Loan**. This **Interest** will be added to the **Total Debt** if it is not paid by the end of the **Interest Period**.

5. In calculating **Interest**, percentages will not be taken beyond three decimal places.

6. **We** will use any payments **you** make to **us** under the **Mortgage** in any **Interest Period** in the following way. First, **we** will use them to pay off any arrears and outstanding costs, expenses or fees, in such order as **we** may decide. (See **Condition** R.) Then **we** will use any balance to pay off any **Interest you** owe. Any remaining balance will be used to reduce the **Total Debt** at the end of the **Interest Period**.

D VARIATION OF INTEREST

1. The **Interest** rate can be changed by **us** from time to time. The ways in which **we** can change the **Interest** rate are set out in the following conditions.

2. The **Interest** rate can be changed by giving notice. **We** will write to you personally to tell **you** about a change, and to notify **you** of your revised **Monthly Payment,** in reasonable time before any change takes effect. If **we** omit accidentally to give individual notification this will not affect the change in **Interest** rate being made and will not affect the change in **Interest** rate being applied to your **Mortgage**;

3. The **Interest** rate can be reduced without notice, but **we** shall inform **you** at the earliest opportunity.

4. **We** can change the rate of **Interest** for any of the following reasons (which may relate to circumstances existing at the time or those which are expected to apply in the near future):-

   4.1 to respond to changes in the Bank of England base rate, or mortgage or investment rates generally;

   4.2 to respond to changes in the law or the decisions of a court or ombudsman;

   4.3 to meet relevant regulatory requirements;

   4.4 to respond to new (or changes to) any statements or codes of practice designed to enhance consumer protection;

   4.5 to respond to changes in the costs incurred by us in providing the **Mortgage**;

   4.6 to respond to any increased cost or risk incurred by **us** as a result of any change of use of the **Property** (for example, if **you** let the **Property,** with or without our permission); or

4.7.1 to maintain the competitiveness of interest rates payable to investors from **us** whilst having regard to the interests of our consumer borrowers, in the interests of the business as a whole

4.8 to maintain our financial strength in the interests of our consumer customers

4.9 for any other reason set out specifically in the **Mortgage Offer**.

5 Any change **we** make to the rate of **Interest** will be proportionate to the circumstances giving rise to the change.

E THE MONTHLY PAYMENT

1. **You** agree to pay **us** the **Monthly Payment** on each **Payment Day** until such time as **you** have paid the **Total Debt**.

2 The amount of the **Monthly Payment** has been calculated by **us** based on the amount of the **Total Debt**, the **Interest** rate and the **Mortgage Term** shown in the **Mortgage Offer**.

3. The **Monthly Payment** (or **Initial Monthly Payment** if applicable) may be changed by **us** from time to time by giving **you** notice in writing:-

3.1 when there is a change in the **Interest** rate or the **Mortgage Term**;

3.2 if **you** have an **Initial Monthly Payment** and **you** are in a **Special Mortgage Scheme** and that Scheme ends or your **Endowment Policy** lapses, falls into arrears of premiums or is surrendered or **you** notify **us** that your chosen repayment vehicle is not adequate;

3.3 when **you** have taken any **Additional Borrowing**;

3.4 if **you** have made a **Capital Repayment** provided that there is or are no **Interest**, costs, expenses or fees owing to **us**. If there are, the money will be used to pay them off first;

3.5 when **we** consent in writing to suspend your **Monthly Payment** for any period or agree to accept a reduced **Monthly Payment**;

3.6 where **we** wish to recover costs or expenses payable by **you** under these **Conditions** and Explanations;

3.7 if **we** need to ensure that the **Total Debt** is repaid by the end of the **Mortgage Term**;

3.8 by agreement with **you**.

4. The **Monthly Payment** may be rounded up to the next pound.

F ENDING YOUR MORTGAGE EARLY (whole or part)

1. If **you** wish, **you** may repay all or part of your **Loan** before the date on which **we** originally agreed that the **Mortgage** would end. If **you** wish to repay all of your **Loan** before that date **you** will need to pay the **Total Debt**.

2. **You** will also be required to pay to **us Interest** calculated up to the day of receipt by **us** of the repayment money, or as otherwise specified in the **Mortgage Offer**. **We** will not release the whole or part of your **Mortgage** until all money has been received by **us** to clear your **Total Debt**.

3. There may be additional **Interest** or other early repayment charges to pay because your **Mortgage Offer** was taken out under one of our **Special Mortgage Schemes**. **You** will find the early repayment charges set out in your **Mortgage Offer**. It is important that **you** check your **Mortgage Offer** before redeeming the whole or repaying part of your **Mortgage** early. **We** will not release your **Mortgage** in whole or in part until all money has been received by **us** to clear your **Total Debt**.

G REDEMPTION

If **we** release your **Mortgage** in error (because, for example, **we** miscalculate the amount of the **Total Debt**) **we** may claim from **you** any amount still owing. However, **we** will not be entitled to do this if **we** do not give **you** notice in writing within 3 months of the date of release (unless **you** were, or your **Guarantor** was, aware of the mistake at the time of the release), or if **you** can show **you** have changed your financial position as a result of the error, at a time when **you** were not aware of it.

H INSURANCE COVER

1. The **Property** must be fully and adequately insured. **You** are responsible for paying the premiums. **You** are also responsible for ensuring that there is adequate **Insurance** cover on your **Property** at all times.

2. If the **Property** is leasehold and insured by the landlord **you** must, on request, show **us** such documentation relating to the insurance policies as **we** may reasonably require. **We** must approve in writing the choice of insurer, but **we** will not unreasonably refuse approval.

3. If **we** decide that the **Property** is inadequately insured, **we** may take out Insurance on your behalf. **We** are under no obligation to **you** however to ensure that the **Property** is adequately insured.

4. If **we** insure the **Property you** will have to pay the premiums. This may be due to your failure to insure adequately. If **you** fail to do so, the cost of the premiums will be added to your **Total Debt** together with any costs and expenses **we** incur in administering the **Insurance**. Remember this may give **us** the right to exercise our **Power of Sale** and **Interest** will be charged on the premiums.

5. If **we** arrange any **Insurance** policy on your behalf **we** may retain any sums **we** receive, whether as commission or otherwise, from the insurance company and **we** shall not be required to account to **you** unless required by law to do so.

6. If a claim is made under any insurance policy **we** may negotiate all the details and settle claims with the insurers.

7. Money paid as a result of any buildings insurance claim must be used either to repay part of your **Total Debt** or to repair or rebuild the **Property**. If payment is made directly to you, this money is held by **you** in trust for **us** (i.e. on our behalf).

8. If **you** or any of your family or associates act in such a way that the insurers cancel your policy, **we** will have the right to demand repayment of your **Total Debt** and/or **Take** the **Property into Possession**.

9. **You** are responsible for telling your insurers about any changes in circumstances which may affect your insurance cover.

10. If **you** wish to make your own insurance arrangements **you** may do so on the following conditions:-

    10.1 **you** must pay to **us** any administration fee if requested in accordance with **Condition** R2;

    10.2 **you** must pay all the premiums and other insurance charges;

    10.3 should **we** ask **you** to do so, **you** must give **us** receipts to show that the premiums are being paid;

    10.4 **you** must allow **us** to pay any insurance premiums which **you** fail to pay;

    10.5 **you** must deposit the insurance policy with **us**, if **we** ask **you** to do so;

    10.6 your insurance company must provide **us** with an undertaking in our standard format and the current schedule of insurance must be noted with our interest;

    10.7 our written consent must be obtained to the policy (**we** will not unreasonably withhold this consent if the policy meets with the minimum cover and conditions **we** require);

11. For the purpose of this **Condition** H section 108 (1) and (2) of the Law of Property Act 1925 shall not apply to this **Mortgage**. This means that the amount of any **Insurance** effected by **us** or our ability to effect any **Insurance** will not be restricted.

I LIFE POLICIES

1. This **Condition** applies to every **Life Policy** that may be used from time to time to secure obligations under this **Mortgage**. Your **Mortgage Offer** will indicate whether a **Life Policy** is required and whether **we** require an **Assignment** or a deposit of the policy with **us**. In the event that **you** do not for any reason keep up any **Life Policy** taken out in relation to an **Endowment Mortgage**, **we** reserve the right to convert your **Mortgage** to a **Repayment Mortgage**.

2. If **we** require a **Life Policy** as security and there is no **Assignment** of it, the policy will be treated as deposited with **us** and **we** will have an equitable charge on it. The **Policy Owner** appoints **us** to be their attorney so that **we** can assign, surrender or sell or otherwise deal with the policy or the policy money. The **Policy Owner** cannot revoke this appointment unless and until the **Total Debt** is repaid.

J THE POLICY OWNER AND YOU (if you are not the Policy Owner)

1. The **Policy Owner** and **you** (if **you** are not the **Policy Owner**) **Covenant** as follows:-

   1.1 to **Assign** the **Life Policy** to **us** (if **we** so require);

   1.2 to pay on time all premiums and other money necessary for keeping the **Life Policy** in force. If a premium is not paid on time this allows **us** to exercise our **Power of Sale**;

   1.3 to produce to **us** (if **we** ask) a receipt for any payments of premiums that **you** make;

   1.4 that the **Life Policy** is valid and in force and that the **Policy Owner** will not do anything or permit anything to be done which would make it invalid or which would prevent **us** from receiving the policy money. The **Policy Owner** must not give or attempt to give to any other person any interest in the policy or proceeds of it;

   1.5 that should there be any possibility of the **Life Policy** becoming invalid the **Policy Owner** will do everything necessary to keep it in force. If the **Life Policy** does become invalid the **Policy Owner** will do everything necessary to put into force a new policy on the same life or lives and for the same amount as in the old policy. For the purposes of the **Mortgage** and these **Conditions** and Explanations any new policy will automatically take the place of the old one and if it is not **Assigned** to **us** it will be treated as deposited with **us** and **we** will have an equitable charge on it.

2. If there is any failure by the **Policy Owner** to comply with the above **Condition** or if **we** are able to exercise our **Power of Sale** in respect of the **Property we** may also do any of the following (so far as applicable, depending on the type of **Life Policy** concerned):-

   2.1 **we** may surrender the **Life Policy** to the insurers;

   2.2 **we** may exchange it for a fully paid **Life Policy**;

   2.3 **we** may make such other arrangements as **we** think fit for realising the value of the **Life Policy**;

   2.4 **we** may arrange for the sale of the **Life Policy**;

   2.5 **we** may make such other arrangements with the insurer as **we** reasonably decide.

3. Any money that **we** receive in respect of the **Life Policy** at any time or for whatever reason will be used to reduce or discharge the **Total Debt**.

4. If the **Total Debt** is repaid **we** will, if requested, give the **Life Policy** back to the person entitled to it so that **we** no longer have any right to the policy. Any costs that **we** incur in doing this must be paid by the person entitled to the policy.

5. If the **Total Debt** is repaid to **us we** may (with the agreement of the **Policy Owner**) keep the **Life Policy** to be used in connection with the payment of other money that **we** may have lent to **you** or that **we** may lend to **you** by a new **Mortgage**. In this case the conditions that will govern that **Mortgage** will then apply.

6. The **Policy Owner** (when this is not **you**) **Covenants** not to compete with **us** in claiming the **Life Policy** or any money payable on it until the **Total Debt** has been repaid in full.

7. The **Policy Owner Covenants** that no money has been or will be borrowed from the insurer by the **Borrower** or the **Policy Owner**, and that no monies have been or will be borrowed from any source by the **Borrower** or the **Policy Owner** or any other persons under any option or privilege conferred by or in connection with the **Life Policy**.

8. **We** will be entitled to keep any commission **we** receive from the sale of the **Life Policy**.

K INTEREST ONLY AND ENDOWMENT MORTGAGES

1. If **we** allow **you** to pay your **Mortgage** (or any part of it) on an interest only basis **you** will at the end of the **Mortgage Term** repay the **Total Debt** to **us** from your own resources. **We** reserve the right (but are not obliged) at any time during the life of your **Mortgage** to convert your **Interest Only** or **Endowment Mortgage** (or the relevant part of it) to a full **Repayment Mortgage** if for any reason **you** do not keep up your payments under the **Mortgage** or in respect of any repayment vehicle, or if **you** fail to comply with any of the other **Conditions** and Explanations of your **Mortgage**.

2. It is your responsibility to check that any repayment vehicle is adequate to redeem your **Mortgage** at the end of the **Mortgage Term** and that there is sufficient life cover in the event of your death. If there are insufficient funds **you** will have to pay **Interest** until the **Total Debt** is repaid.

L LEASEHOLD PROPERTY

1. **You** must ensure **you** pay all service charges and ground rent promptly to your landlord. If there is a dispute **you** must inform **us** immediately. **We** may pay your landlord any monies due to prevent your landlord from entering into possession of your **Property**. **You** agree to pay **us** any costs and expenses **we** incur in this respect. (See **Condition** R1.)

2. If the **Property** is leasehold there will be included in the **Mortgage** any extended lease which may be granted to **you** in substitution for the original lease.

M GUARANTORS

Your **Mortgage Offer** may require **you** to provide a **Guarantor** for your **Mortgage**. By signing the **Mortgage** the **Guarantor Covenants** to pay your **Total Debt** if **you** fail to do so. These **Mortgage Conditions** and Explanations apply equally to the **Guarantor** as they do to **you**. The **Guarantor** will be given a copy of these **Conditions** and Explanations and will sign your **Mortgage Deed**.

1. The **Guarantor Covenants** with the Society to be equally as responsible as **you** for all the **Covenants** and obligations and **Conditions** in connection with this **Mortgage**. Any arrangements that **we** make with **you** will not affect the obligations of the **Guarantor** to pay your **Total Debt** if **you** fail to do so.

2. The **Guarantor** does not have any rights or interests in any monies held by **us** or acquired by **us**, whether from **you** or any other source towards the reduction of the **Total Debt**.

3. The **Guarantor** agrees:-

   3.1 not to share in any security **we** have or take any security from **you** or any other person in connection with this guarantee;

   3.2 not to enforce any right or pursue any claim against the **Borrower** or any other persons in respect of the **Mortgage**;

   3.3 not to make any claim which would compete with ours

   unless and until the **Total Debt** has been repaid in full.

4. The **Guarantor** will not be responsible for any **Additional Borrowing** or **Interest** relating to that **Additional Borrowing** unless the **Guarantor** has consented to that **Additional Borrowing** in writing.

5. Unless the **Guarantor** agrees otherwise, the **Guarantor**'s liability under any guarantee given is limited to the amount of the initial **Loan** together with all **Interest**, costs, charges and expenses forming part of the **Total Debt**.

6. If **you** or your **Guarantor** are declared bankrupt or go into liquidation or receivership **we** will immediately be entitled to exercise our rights to sell the **Property** without giving **you** any further warning of the fact.

7. If there is more than one **Guarantor** each **Guarantor** is separately responsible for the whole of the obligations and liabilities of the **Guarantor** under the **Conditions** and Explanations.

N TRANSFER OF THE MORTGAGE

1. **We** may at any time transfer some or all of our rights under the **Mortgage** to any person, whether or not a building society. However, **we** will only transfer our rights if **we** reasonably think that the policies operated by that person in connection with the **Mortgage** are not less favourable to **you**, to any material extent, than the policies **we** were following before the transfer.

2. In connection with such a transfer:-

   2.1 if it is to a person who is not a building society, the Rules of the Society will cease to apply;

   2.2 **we** may disclose any information relating to **you** and the **Mortgage**;

   2.3 unless the terms of the transfer state otherwise, the person to whom **we** transfer the **Mortgage** will be able to exercise all the rights and powers that **we** could exercise before the transfer.

3. This Condition does not apply to a transfer of the **Mortgage** on a merger between **us** and another building society, or to a transfer of our business to a company.

O TRANSFER OF PROPERTY SUBJECT TO MORTGAGE

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

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

3. The purchaser or transferee shall, from the date of the transfer, become answerable to **us** for all your liabilities arising under the **Mortgage**. If so, **we** may release **you** at your expense. The transferee shall not be registered in our records nor will **you** be released from your obligations to **us** unless:-

   3.1 the requirements of **Conditions** 1 and 2 above have been fulfilled;

   3.2 the deed by which the **Property** has been transferred and such further deeds, if any, as **we** may require have first been approved by or on behalf of **us**, without cost to **us**; and

   3.3 such deed or deeds have been deposited with **us**.

P OTHER RIGHTS

1. So far as **you** can (but only until the time when the **Total Debt** is repaid) **you**:-

   1.1 assign to **us** all **Other Rights** that **you** have or may be entitled to have. This will include copyright in any designs or plans made in respect of the **Property**;

   1.2 agree that **you** will hold all **Other Rights** on our behalf;

   1.3 appoint **us** irrevocably to be your attorney to act for **you** to do the following:-

   (a) to do all such things to assess, agree, obtain, enforce and recover **Other Rights**;

(b) to give any notices or counter notices in relation to **Other Rights**;

(c) to carry out or enforce any right in respect of the **Property** which **you** may have by law or which **you** may have or become entitled to against any local authority or other body.

2. Any money received in respect of **Other Rights** must be used to reduce the **Total Debt** unless **we** tell **you** in writing that it can be used to restore or improve the **Property**.

Q BORROWERS WITH A MORTGAGE ON MORE THAN ONE PROPERTY

If **you** have more than one property mortgaged to **us** this **Condition** Q applies to you.

1. If **you** wish to pay off the loan secured on any of your properties **you** may at the same time have to pay the total debt secured on all or any of your other properties if **we** require **you** to do so, before **we** release the **Property** from the **Mortgage**. Section 93 of the Law of Property Act 1925 will not apply to the **Mortgage**.

2. This **Mortgage** will be security not only for the **Loan** but also for all money which may at any time be owing by **you** to **us** on any other mortgage with **us**. This means that if **you** fail to make any **Monthly Payments** on any mortgage with **us** and **we** sell the **Property** or **you** sell the **Property**, any surplus funds will be applied to any remaining mortgage with **us**. If money is still owing on any properties that have been sold that amount will be added to the amount owed on your other properties still remaining in mortgage to **us**. In these circumstances **we** are still able to take legal action to recover your **Total Debt** on the properties not yet sold.

3. **Conditions** 1 and 2 above do not apply to money which is owing to **us** under a loan which is a regulated agreement as defined by the Consumer Credit Act 1974, unless the appropriate requirements of the Act have been complied with.

R COSTS, EXPENSES AND FEES

1. Where **we** are entitled under these **Conditions** to recover from **you** any costs or expenses incurred by **us**, then:-

   1.1 **you** must pay them to **us** as soon as **we** give **you** written notice to pay them;

   1.2 **you** must pay them to **us** in full, as long as they are reasonable; and

   1.3 if **you** do not pay them to **us** within 7 days of the date of our written notice, they will be added to the **Total Debt** and **Interest** may be charged on them from the date the notice is given.

2. **We** may charge fees for items relating to the making of a mortgage **Loan**, the operation of your account, the storage of title deeds or the mortgaged **Property**. The fees will reflect expenses **we** incur and the cost of staff time and the use of our office and computer facilities. **You** must pay any fee **we** charge under this **Condition** R2 as soon as **we** give **you** written notice to pay it. If **you** do not pay it within 7 days of the date of our written notice, **Interest** may be charged on it from the date the notice is given.

   We will tell **you** about our current fees in our **Tariff of Mortgage Charges** and can change our fees as follows:-

   2.1 **We** can change the fees **we** charge at any time. Changes may include the abolition of, or amendment to, existing fees, or the introduction of new fees and may be made if **we** reasonably believe that the change is needed for any of the following reasons (which may relate to circumstances existing at the time or those which are expected to apply in the near future):-

   (a) to respond to changes in the costs (including tax) and our administration costs **we** incur in providing the services or carrying out the function to which the fee relates;

   (b) to meet relevant regulatory requirements;

   (c) to respond to new (or changes to) any statements or codes of practice or industry guidance designed to enhance consumer protection.

(d) to respond to changes in the law or decision of a court or ombudsman

Any change **we** make to our fees will be proportionate to the circumstances giving rise to the change.

2.2 Where **we** introduce new fees, or increase existing fees, **we** will tell **you** about the change, not less than 30 days before it takes effect, as follows:-

(a) by letter or other personal notice; or

(b) by sending **you** a copy of our revised **Tariff** of **Mortgage Charges**; or

(c) by general notice in our branches and Principal Office, together with advertisements in two or more newspapers of our choice. **You** can find out which are the relevant newspapers by contacting any branch or Principal Office.

2.3 A change which abolishes a fee, or reduces the amount of an existing fee, may be introduced with immediate effect and without notice.

S WHAT DO YOU DO IF YOU ARE HAVING TROUBLE MAKING YOUR MORTGAGE PAYMENTS?

1. If **you** are having problems making your **Monthly Payment**s **we** may be able to help you. Whenever **you** think **you** may have a problem it is important to contact your local branch or our Principal Office. **We** can sometimes defer a **Monthly Payment**. This means that your **Total Debt** may increase and your **Mortgage Term** may also increase. **We** may be able to make special arrangements allowing **you** to alter the amount and timing of your **Monthly Payment**s or make other agreed variations to the product type or **Mortgage Term**.

2. **You** must remember that if any help is given to **you** this does not release **you** from any of the **Conditions** and Explanations of your **Mortgage**. It is particularly important to realise that any special arrangement that **we** might make does not affect our rights over the **Property** including the right to exercise our **Power of Sale** together with the right to collect from **you** the **Total Debt**. If **you** have a **Guarantor** any special arrangement made by ourselves will not alter the **Guarantor**'s legal responsibility to repay your **Total Debt** should **you** fail to do so.

3. It is your responsibility to satisfy yourself as to the effect of any special arrangement on your **Mortgage Term**, the **Total Debt** and/or the amount of your **Monthly Payment.**

T NOTICES

1. If **we** have to serve on **you** a letter or personal notice or other document under this **Mortgage** it will be in writing and sent to your registered address or other last known address.

2. If **we** send a notice in the post **you** are deemed to have received it by the time specified in the Society's Rules or, if the Rules no longer apply (by virtue of **Condition** N2), 72 hours after **we** have posted it regardless of the class of post used.

3. If there is more than one of **you**, then if **you** share the same address, **we** will send a single copy of the notice addressed to each of **you**. If **you** have different addresses, **we** will send a copy of the notice to each address.

4. If **we** serve a notice on **you** this is as good as if **we** had served it on the **Guarantor** as well.

5. If **we**, accidentally, fail to:-

5.1 send to **you** a communication intended for our borrowers generally or a category of our borrowers of which **you** are one; or

5.2 display a notice at our Principal Office or any branch office

this will not make the notice invalid.

U ADDITIONAL LOANS

Although **we** are not obliged to make any additional loans to **you** the **Mortgage** has the effect of securing any **Additional Borrowing**.

V LEGISLATION

Any reference to an Act of Parliament includes reference to that Act as amended or replaced.

W CHANGES TO TERMS AND CONDITIONS

We may change the terms and conditions applying to your **Mortgage** if **we** give **you** not less than one month's written notice, as long as the change does not work to your disadvantage. **We** will only make such a change to respond to any regulatory requirement, to clarify any existing term or condition or make it fairer, or to enable **us** to enhance the terms of your **Mortgage**.

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