

Stafford Railway Building Society

Mortgage Terms & Conditions 2022

(England & Wales)

**STAFFORD RAILWAY
BUILDING SOCIETY**

Contents

Summary	4
Definitions	7
Part 1 - Loan Terms	8
1 Membership of the society and the rules	8
2 What you have to pay	8
3 Monthly Payments	9
4 Changing the Payment Date	10
5 Making overpayments	10
6 Interest	11
7 Changing the Interest Rate	11
8 Fees, charges and costs	12
9 When we can ask for repayment of the Outstanding Debt	13
10 Set Off	14
11 Porting your mortgage	14
Part 2 - Mortgage Terms	14
12 Security	14
13 Your obligations in relation to the Property	15
14 Use and occupation of the Property	16
15 Insuring the Property	17
16 Action we may take	18
17 Power of Attorney to act on your behalf	19
18 Compensation from Third Parties	20
Part 3 - General Terms	20
19 Joint Borrowers	20
20 Transferring the Mortgage	20
21 Notices	21
22 Changing Your Address	21
23 Repaying Your Loan Immediately If You Change Address to an Address in a Different Country	22
24 Other terms to be aware of	22

This booklet sets out the terms and conditions that apply to your loan and mortgage with Stafford Railway Building Society. It sets out your and our obligations and our rights in relation to the loan and mortgage.

Together with the mortgage deed, the Offer, our Rules and our tariff of charges, these form the legal agreement with you.

Please read this booklet, the Offer and other documents we have provided to you carefully. It is important that you understand them before you take out the loan and enter into the mortgage. If you do not understand any of the Terms or have any questions before your mortgage starts please speak to your legal adviser. After your mortgage has started, please speak to us if you have any queries.

In these Terms, we often use words that have special meanings. If a word or phrase is capitalised, this means it has the meaning shown in the section titled Definitions.

This booklet into three Parts.

PART 1 (Loan Terms): This part, along with the Offer, sets out the terms applicable to the money we have lent to you for your mortgage. This part includes details of how the loan will be repaid and how interest is charged and applied to the loan and when you will need to pay our fees and charges, and when we can change them.

PART 2 (Mortgage Terms): This part sets out the terms applicable to the security we have taken over your property, the rights we have over it and what we or any receiver can do if you do not keep up repayments of your loan or keep to your other obligations in relation to your property and the agreement for the loan.

PART 3 (General Terms): This part sets out the general terms that apply to our agreement and the relationship between you and us.

Please keep this booklet in a safe place so you can refer to it in the future. Further copies of these Terms or the Society Rules are available on request. For further copies or if you want the booklet in an alternative format please call **01785 223212**.

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

Summary

Below is a summary of some of the key provisions in these Terms.

It is summary only, and it is important that you read and consider the whole booklet in full, along with the other documents making up our Agreement.

If you have any questions you can contact us on **01785 223212** or visit **srbs.co.uk** or you can write to us at **4 Market Square, Stafford, Staffordshire, ST16 2JH**.

Term	Summary
Monthly payments	<p>It is important that you pay to us the monthly payments set out in the Offer on time, or any changed monthly payments which apply under these Terms.</p> <p>If you have a 'repayment mortgage' your monthly payments are calculated so that the Capital included in the Calculation Balance is repaid with interest by the end of the term.</p> <p>If you have an 'interest only mortgage' your monthly payments will consist only of interest and you will have to repay the Capital in full as a lump sum at the end of the term. It is important that you make arrangements to repay this and regularly check to ensure that you will be in a position to repay it by the end of the term.</p>
Joint borrowers	<p>If you are borrowing jointly with others, all of you together and each of you individually are liable for the full amount owing under the Loan. This means that we can pursue the full amount owing against each of you individually.</p>
Interest	<p>We will charge you interest at the Interest Rate.</p> <p>The Interest Rate may be a fixed rate, a tracker rate, or a variable rate. Unless your Offer states that your Interest Rate is fixed or tracks an Externally Set Interest Rate, we can vary the Interest Rate for any of the reasons set out in Term 7.3 of the Loan Terms.</p> <p>If the Offer states that your Interest Rate will track an Externally Set Interest Rate (such as Bank of England Base Rate), the Interest Rate you pay will vary in line with changes in such Externally Set Interest Rate.</p> <p>The overall cost of your mortgage will increase if the Interest Rate increases and we will normally increase your monthly payments to recover the extra interest.</p> <p>It is important you can afford to make your monthly payments if your Interest Rate increases.</p>
Early repayment	<p>You can repay the Loan in full or in part at any time.</p> <p>You may have to pay an early repayment charge and other charges if you repay some or all of your Loan before the end of the term. The details of these charges are set out in your Offer.</p>

<p>Flexible Features</p>	<p>Any flexible features of your mortgage will be set out in the Offer and may include the following:</p> <p>Payment Holidays You may have the option to take a payment holiday if you have made an overpayment. This is the option to miss a monthly payment or several monthly payments equal to the amount that you have overpaid.</p> <p>Overpayments You may have the option to make overpayments on the Loan. If you pay a lump sum in addition to your monthly payments then this will reduce the term. If you make a lump sum payment of £2,500 or more you have the option to have your payments re-calculated. You may have to pay an early repayment charge and other charges if you repay some or all of your Loan before the end of the term. The details of these charges are set out in your Offer.</p>
<p>Immediate repayment</p>	<p>We can ask you to repay the Outstanding Balance immediately in certain situations. For example, if you fail to pay an amount equal to at least two monthly payments due on any Loan or if you commit a material breach of one of your other obligations under the Agreement.</p> <p>The full set of circumstances in which we may do this is set out in Term 9 of the Loan Terms.</p> <p>Please make sure that you understand the circumstances where we may ask you to repay your Outstanding Balance immediately.</p> <p>If we ask for repayment and the money is not paid, we could take further action against you including, if necessary, asking the court to make an order allowing us to repossess and sell your Property.</p>
<p>Charges</p>	<p>We may charge you if:</p> <ul style="list-style-type: none"> • you ask us to provide services under the mortgage, or • we incur costs because you fail to comply with your obligations under the Agreement. <p>You will have received our Tariff, which contains our current standard charges. This is also available on our website at srbs.co.uk/mortgages/tariff-of-mortgage-charges.</p> <p>We can change these charges and introduce new charges at any time. The reasons why we may do so are set out in Term 8 of the Loan Terms.</p>
<p>Property obligations</p>	<p>The Property is security for the Loan.</p> <p>It is important the Property is kept in a good state of repair and condition. Term 13.1 of the Mortgage Terms sets out your obligations in relation to maintaining the Property, such as completing building work.</p> <p>You must also obtain our permission before you carry out certain actions in relation to the Property, such as altering or extending it or letting it (or any share of it) to a tenant.</p> <p>You must insure the Property against the usual risks to a property and for an amount that is sufficient to fully re-instate the Property if it is destroyed or damaged.</p> <p>If you do not insure the Property, we may do so. If we do this, you will be responsible for repaying the premiums to us. Special terms apply where the Property is leasehold and someone else, such as a landlord, is responsible for insuring it: see Term 15.5 of the Mortgage Terms.</p>

Action we may take	We can take certain action in relation to the Property if you fail to meet your obligations. These actions are set out in Term 16 of the Mortgage Terms. This includes repossessing your Property and selling it.
Transferring the loan and mortgage	<p>We can transfer our interest in the mortgage and Loan to another person in accordance with Term 20 of the General Terms. We will still have access to certain information once our interest has been transferred. Please see Term 20.6 of the General Terms for more information.</p> <p>The person we transfer the Loan and mortgage to may or may not be another building society. If we transfer the Loan you will lose your borrowing membership rights in the Society.</p>

Definitions

Certain words used in this booklet have a specific meaning. They appear with a capital letter and their meaning is set out below:

Agreement means our agreement with you to provide you with a Loan, which is made up of the Offer, these Terms, the Mortgage Deed, our Rules and the Tariff.

Arrears means all or part of any monthly payment which you have not paid when it became due.

Bank of England Base Rate means the rate set by the Bank of England or any replacement rate. If the Bank of England base rate ceases to be published and is not replaced by an alternative rate, we may, acting reasonably, select an alternative rate.

Borrower means the people named in the Offer as the borrower. If there is more than one it means each borrower jointly and individually. It also includes anyone who takes over the Borrower's legal rights and duties.

Buy To Let Mortgage means your Offer states the Property is to be used for letting purposes and you must not occupy the Property yourself.

Capital means any money on which we can charge interest under these Terms which includes (I) the amount of the Loan outstanding (excluding any Arrears); and (II) any charges which we add to your Outstanding Balance.

Externally Set Interest Rate means an externally set interest rate such as the Bank of England Base Rate.

Interest Rate means the rate of interest applying to the Loan. The Interest Rate is set out in the Offer and, where the rate is a variable rate, may vary as set out in the Offer and these Terms.

Loan means each sum of money we have lent to you or may lend to you, on the security of the Property.

Monthly Payments means the amount you will have to pay to us each month. The amount of your Monthly Payment will be set out in your Offer. The amount of the Monthly Payment will vary as set out in these Terms.

Mortgage means the rights you give us over the Property as security for the Loan

Mortgage Deed means the legal document you sign to give us a charge over the Property as security for the Loan.

Mortgagor means any Borrower who provides security over the Property. It includes anyone who takes over the Mortgagor's legal rights and duties.

Offer means any written offer sent to you which results in a Loan being made to you.

Outstanding Balance means all the money you owe us in respect of a Loan from time to time, including any Arrears, interest and charges.

Payment Date means the last working day of each month which is the date on which you pay us your monthly payments. See Term 4.

Property means the property which is security for each Loan as described in an Offer and includes every part of the Property and all fixtures and fittings.

Rules means the Rules of the Society for the time being in force.

Society, “we”, “us”, or “our” means The Stafford Railway Building Society as well as any body which may succeed us in the future. It also includes any body to which we may transfer the legal or equitable interest to all or part of the Loan to in the future either outright or by way of security only, and may at any time mean more than one of them.

Tariff means the current list of our standardised fees and charges we charge available on our website at srbs.co.uk. We can change our charges and introduce new charges. How and when we may do this is set out in Term 8.4 of the Terms.

Terms means all the terms and conditions set out in this booklet.

“you” or “your” means the Borrower and includes the Mortgagor and includes anyone who takes over your legal rights and duties.

When we say **“person”** we also mean a company.

When we say **“month”** and **“monthly”** we mean a calendar month.

When we say **“year”** we mean a calendar year.

A reference to any statute, statutory provision or regulation includes any amendments which are made to it and any provision which replaces it, whether before or after the date of the Mortgage.

If there is any conflict or inconsistency between what the Offer, the terms of the Mortgage Deed and these Terms, our Rules and the Tariff say, the documents will apply in the following order:

- (A) the Offer;
- (B) the Mortgage Deed;
- (C) the Terms;
- (D) the Tariff;
- (E) our Rules.

Part 1 – Loan Terms

This Part, along with the Offer, sets out the terms applicable to the money we have lent to you for your Mortgage. This Part includes details of how the Loan will be repaid and how interest is charged and applied to the Loan and when you will need to pay our fees and charges, and when we can change them.

1. Membership of the Society and the Rules

- 1.1. If you are not already a member of the Society, and if you are an Individual as defined by the Rules, you automatically become a member when the Loan is advanced to you.
- 1.2. If you are a member of the Society only because you hold a Mortgage with us your membership may be cancelled if we transfer your Mortgage to someone else under Term 20.

2. What you have to pay

- 2.1. You must pay to us:
 - (A) your Monthly Payments on the Payment Date;

- (B) if you have an 'interest only mortgage', the amount of the Loan at the end of the term;
 - (C) any remaining Outstanding Balance at the end of the term;
 - (D) all charges and costs, immediately we require you to do so;
 - (E) interest on charges and costs at the Interest Rate from the date they are incurred until they are paid. This interest will be added to Capital;
 - (F) if at any time there is no agreement between us as to the timing of payment, payment on demand.
- 2.2. The Monthly Payments will start the month after the Loan is advanced to you. You will not be required to make a Monthly Payment in the month the Loan is advanced to you. Your first Monthly Payment will include one full Monthly Payment plus, in addition, all interest which has accrued from the date of the Loan up to the end of that month. This means that your first Monthly Payment will be more than your normal Monthly Payment.
- 2.3. Your Monthly Payments are due on the Payment Date each month.
- 2.4. You must pay your Monthly Payments by direct debit from a UK based bank account and in pounds sterling. In exceptional circumstances (for example, if you experience financial difficulty), we may agree to accept payments by alternative means.
- 2.5. If we sell the Property, you must still pay us any amount by which the sale proceeds fall short of the Outstanding Balance. If the shortfall is not paid immediately, we will continue to charge interest on it at the applicable Interest Rate until it is paid and we may continue to charge you interest and charges even after any court order requiring you to pay the whole or any part of the Outstanding Balance. Your obligations under this Term will continue even after release or discharge of the Mortgage.

3. Monthly Payments

- 3.1. How we calculate your Monthly Payment depends on the repayment type you have. This is explained in your Offer:
- (A) if you have a 'repayment mortgage' you will have to make Monthly Payments that are made up of Interest and Capital. We work out your Monthly Payments so that the Capital is repaid with interest in equal instalments by the end of the term. The Monthly Payment will not repay any Arrears unless we change your Monthly Payment as explained below to repay Arrears. The Monthly Payment will include interest on Arrears;
 - (B) if you have an 'interest only mortgage' or if your mortgage is made of part 'repayment' and part 'interest only', we work out your Monthly Payment, or part of your Monthly Payment, to repay only the interest charged, including any interest on Arrears. You will need to repay the remaining Capital in full as a lump sum at the end of the term. You must make arrangements to repay this and regularly check to ensure that you will be in a position to repay it by the end of the term.
- 3.2. If you make a payment, and this is not enough to pay in full what you owe to us, we will apply it as follows:
- (A) first towards the Monthly Payment;

- (B) then towards any Arrears

Until you repay all Arrears your Outstanding Balance will not reduce. If the payment is used to reduce Arrears there won't be any money left to pay the amount of the Monthly Payment you owe in that month. You will need to make a payment in addition to your monthly payment to repay any Arrears.

3.3. We may vary the Monthly Payments if:

- (A) the Interest Rate changes;
- (B) unpaid fees and charges are added to the Capital;
- (C) there is a change to the term of the Loan or you have reached the end of the term and there is an Outstanding Balance;
- (D) the amount of money you owe us changes, for example if we provide an additional Loan to you or you make an overpayment;
- (E) where regulatory requirements permit this, the change is needed to provide for any Arrears and interest on Arrears which you have failed to pay to be rescheduled for payment over the rest of the term;
- (F) you switch the repayment type of your mortgage from interest only to repayment, or from repayment to interest only;
- (G) we have to make the change to comply with a change in law or regulation; or, otherwise to ensure that the Outstanding Balance is repaid on or immediately before the end of the term where it is reasonable to do so.

3.4. In making any change to the Monthly Payments we will:

- (A) act reasonably;
- (B) tell you before any change; and
- (C) act in accordance with any legal and regulatory obligations on us in making any changes.

4. Changing the Payment Date

4.1. The Payment Date is the last working day of each month. You cannot change the Payment Date.

4.2. We may change the Payment Date to:

- (A) take account of a change in how we charge interest;
- (B) reflect technological changes in our business; or
- (C) enable us to harmonise, in a reasonable manner, Payment Dates following any acquisition or transfer of mortgages or any takeover or merger with another provider.

We will act fairly and reasonably in making any change to the Payment Date and we will give you two calendar months' prior written notice of any change to the Payment Day. The Payment Day will change immediately following the expiry of the two months' notice.

5. Making overpayments

5.1. If you can make overpayments this will be set out in the Offer. You can make overpayments by:

- (A) increasing your Monthly Payment; or

(B) debit card payment to an account we specify.

- 5.2. You can make lump sum overpayments of at least the minimum amount specified in your Offer, at any time. You will be charged an early repayment charge if you make an overpayment during a period in which early repayment charges apply to a Loan. Details of your early repayment charges and when they apply are set out in the Offer.
- 5.3. If you make a lump sum overpayment of less than £2,500 then [from the day we receive it] we will pay this off the balance of your Mortgage. This means your Monthly Payment will remain the same but if you continue to make your Monthly Payments on time and in full, you will repay the Outstanding Balance earlier.
- 5.4. If you make a lump sum overpayment of more than £2,500 you will have the option to either reduce the term of your Mortgage which is specified in your Offer or have your Monthly Payment recalculated.
- 5.5. If you choose to have your Monthly Payments recalculated, we will reduce the Outstanding Balance on which the interest is charged at the end of the current month in which the overpayment is made, and, depending on the date of the overpayment, we will recalculate your Monthly Payment which will apply from 1st of the following month or the next month after that. We will let you know what your new monthly payment will be.

6. Interest

- 6.1. Each day we will calculate interest on the Capital at the current Interest Rate.
- 6.2. Interest is charged at the Interest Rate set out in your Offer, varied in accordance with the Offer and these Terms, until you have repaid the Outstanding Balance. We will continue to charge interest after the end of the term until the Outstanding Balance is repaid in full.
- 6.3. Interest is added to the Capital at the end of each month. This means that if you do not make a Monthly Payment on time, you will be charged interest at the Interest Rate on the unpaid interest that forms part of the Capital from the end of the month.

7. Changing the Interest Rate

- 7.1. Except during any period when interest is stated in the Offer to be charged at a fixed or a tracker rate against an Externally Set Interest Rate, the Interest Rate will be a variable rate and we have the power to vary the Interest Rate specified in Term 7.3.
- 7.2. We may reduce the variable rate at any time and without notice to you, but we will notify you if there is a change in your Monthly Payment.
- 7.3. We may increase a variable Interest Rate at any time to respond proportionately to any one or more of the following:
 - (A) a change in the costs of raising money we lend to our borrowers. These costs may change for a number of reasons, for example because of increases in Bank of England Base Rate or other externally set rates. They may also change due to increases in the rates we need to pay to attract and retain savers or increases in the costs of raising money from other sources;
 - (B) a change in, or the interpretation of, law or any code of practice relating to financial service providers or to any decisions or guidance of a court or ombudsman;

- (C) the requirements of, or recommendations made by, the Financial Conduct Authority or any body responsible for regulating our business;
- (D) a changes in costs or expenses reasonably incurred by us (including costs of funding and our reasonable management and administration costs) in operating our mortgage business; and
- (E) an increase in the risk of our lending to you due to a change in the way you use or occupy the Property,

we will tell you about any changes we make to Interest Rate by giving you at least 30 days written notice of the change in accordance with Term 21 and the provisions of the Offer.

7.4. We will also notify you of the Interest Rate via a yearly statement.

8. Fees, charges and costs

- 8.1. Your Offer will say if there are any fees, such as a product fee, and whether it is added to the Loan or paid separately. We will not change these fees.
- 8.2. We may ask you to pay our standard charges for services we provide or work we do for your mortgage. Our most common charges are set out in our Tariff. We will not ask you to pay for a charge not shown in our Tariff unless we tell you first and you agree to pay it.
- 8.3. You must pay any charges as soon as we ask you to. Otherwise, you will have to pay interest on them.
- 8.4. We can increase our standard charges or introduce new charges at any time. Where the charge is, or will be, shown in our Tariff we will only do this for the following reasons:
 - (A) to reflect a change in, or in the interpretation of, law or any code of practice relating to financial service providers or to any decision or guidance of a court or ombudsman
 - (B) to reflect a change in regulatory requirements or guidance including ensuring that we can continue to meet existing regulatory requirements or guidance;
 - (C) to cover the cost of us providing a new service;
 - (D) to reflect increases beyond our reasonable control in the cost of providing the service or doing the work charged for.

We can also introduce new charges for providing a service we have not previously charged for. We will only do this where it is reasonable to do so.

- 8.5. We will make sure any increased charge shown in our Tariff is proportionate to the reason for introducing or changing them. We will tell you about any new or increased charges shown in our Tariff before the changes take effect.
- 8.6. We may also ask you to pay the actual costs we incur in doing work for your mortgage. This may either be costs we incur within the Society or costs we have to pay to others such as solicitor's fees. Some examples of the costs we may pass on to you include:
 - (A) the reasonable costs of taking legal action in connection with your mortgage such as costs incurred in taking possession of your Property, looking after it and selling it. This also includes any court proceedings, even where you are not

involved in them;

- (B) if you do not insure your Property or do not pay any maintenance, service charges or ground rent that you must pay in accordance with the terms of any lease and any costs associated with the lease, we can pay them for you. If we do this, we will pass on the cost to you;
 - (C) if you are in breach of these Terms and we have to put things right, we can pass on our reasonable costs of doing so;
 - (D) if you do not take good care of the Property, we can charge you our reasonable costs of looking after it; and
 - (E) the costs incurred by a receiver in managing the Property or repossessing and selling it.
- 8.7. We will only pass on our costs where they are not covered by the standard charges shown in our Tariff. We will act reasonably in passing on our costs. You should pay these costs as soon as we ask you, otherwise we will charge interest on them.

9. When we can ask for repayment of the Outstanding Debt

- 9.1. In certain circumstances, we may give you notice requiring you to pay to us the Total Debt immediately. We will only ask you to do this if:
- (A) you are in Arrears by an amount equal to three or more of your monthly payments on any Loan;
 - (B) you materially or persistently fail to comply with any of your obligations other than for the payment of money to us in relation to the Loan;
 - (C) you do not repay the Outstanding Debt by the end of the term;
 - (D) if being an individual you apply for an interim order or enter into any composition or arrangement with or for the benefit of your creditors generally or a bankruptcy order is made against you;
 - (E) the Property is compulsorily acquired or requisitioned. This might happen, for example, when a local authority forces you to sell your Property to them;
 - (F) the Property has been abandoned;
 - (G) you die or, in the case of joint borrowers, the last surviving borrower dies;
 - (H) if you have given us any materially false, inaccurate or misleading information or you made any material false, inaccurate or misleading statement in connection with your application for any Loan, in circumstances where we would not have lent you the money if you had given us the correct or complete information;
 - (I) if we reasonably believe you have been involved in fraudulent or serious criminal behaviour; or
 - (J) if you fail to comply with your obligations under any lease and this means our security over the Property under the Mortgage may be set aside, for example by forfeiture, or is otherwise unenforceable.
- 9.2. If you do not repay the Outstanding Debt when requested and we obtain a Court judgment against you for that amount or part of it, you will pay interest on the amount of that judgment at the rate set by the Court or, if none is set by the Court, at the Interest Rate.

10. Set Off

- 10.1. If you do not make a payment on time on any Loan with us, we may use any money we have received from you, or any money which we hold for you, to make the payment including any money in any accounts you have with us. This right is sometimes referred to as "the right of set-off".

11. Porting your mortgage

- 11.1. If you are entitled to 'port' your Loan (i.e. transfer your Outstanding Balance to a mortgage of another property) this will be set out in the Offer.
- 11.2. If you can port your Loan, this means that, if you are moving to another property which you are buying with a mortgage loan from us you will be able to transfer the Outstanding Balance to the mortgage of the other property.

If you move during a period in which an early repayment charge applies to the original Loan, the charge will be payable if you reduce (repay) part of the Outstanding Balance. Details of early repayment charges and when they apply are set out in the Offer.
- 11.3. You will only be able to port your Loan at the point you move. Any additional lending you require as a result of moving will be offered to you on our business terms which are current at the time and you will be subject to a credit assessment and other criteria in respect of the additional loan.
- 11.4. In certain circumstances, you may also be subject to a full affordability assessment where you choose to port your Loan. Our affordability requirements at the time of your move may be different to those at the time you take out your Loan and also your circumstances may have changed. We will discuss the details of this with you, if applicable, at the time.

Part 2 – Mortgage Terms

This part sets out the terms applicable to the security we have taken over the Mortgagor's Property, the rights we have over it and what we or any receiver can do if you do not keep up repayments of your Loan or if the Mortgagor does not keep to their other obligations in relation to the Property and the Agreement for the Loan.

In this Part 2, Terms 13, 14 and 15 are obligations of the Mortgagor. The Borrower who has not provided security for the Loan must procure that the Mortgagor will observe and perform the obligations set out in these Terms and comply with the conditions in the Offer.

12. Security

- 12.1. By entering into the Mortgage Deed, the Mortgagor has given us security over the Property to protect us in case you do not keep to your obligations under the Agreement between us for the Loan.
- 12.2. If we enforce the security, we need to take certain steps described in this Part 2. This Part 2 also describes the Mortgagor's obligations in relation to the Property and the restrictions which apply to the way you can deal with the Property whilst it forms part of our security.
- 12.3. The security over the Property may be for more than the Outstanding Balance owed under these Terms and each Offer. It will also be for any other money that you owe to

us under any other agreement, or will owe to us in the future.

13. Your obligations in relation to the Property

- 13.1. There are certain actions that the Mortgagor must take, or must not take, in relation to the Property. The Mortgagor must:
- (A) keep the Property in a good condition at all times and carry out any necessary repairs;
 - (B) ensure that any unfinished building or works on the Property are completed without delay and are carried out to the required standard;
 - (C) comply with all legal obligations (if any) affecting the Property or its use and enjoyment and if the Property is leasehold, comply with all of the tenants' obligations under the lease;
 - (D) pay all existing and future rates, rents, taxes, services charges, costs, fees, outgoings and rent charges affecting the Property and produce receipts for every such payment if required, and reimburse us if we are required to;
 - (E) send to us a copy of any notice or other document affecting the Property within 14 days of receiving it from:
 - (I) a landlord, if the Property is leasehold;
 - (II) a rent charge owner, if the Property is subject to a rent charge;
 - (III) anyone claiming a legal right over the Property;
 - (IV) any government department, local or other authority.
 - (F) if the mortgage is a Buy to Let Mortgage, send to us, within 14 days of us requesting it, a copy of any of the following documents relating to the letting of the Property:
 - (I) any current or former tenancy agreement;
 - (II) any certificate or other document evidencing their compliance with the requirements of the Tenancy Deposit Scheme (or any replacement scheme);
 - (III) any other notice or other document which they have given to, or received from, a tenant and/or their representative;
 - (IV) any other documents we reasonably request.
 - (G) allow (or if the mortgage is a Buy To Let Mortgage, arrange for tenant(s) to allow) us, our employees, or agents to enter the Property after giving reasonable notice so that we may:
 - (I) carry out a valuation of the Property;
 - (II) inspect the state of repair and condition of the Property;
 - (III) carry out or complete any work which is needed to put right any failure by the Mortgagor to comply with these Terms;
 - (h) tell us before they apply to a local authority or other similar body for any loan or grant for the repair or improvement of the Property. This is because the loan or grant may be subject to conditions requiring the whole or part of the grant to be repaid, for example, if they do not live in the Property for a certain period. The Mortgagor cannot accept any such loan or grant unless we agree in writing;

- (II) not knowingly take any action regarding the Property that is against any applicable law or regulation.

13.2. The Mortgagor must not do any of the following without getting our written consent first:

- (A) transfer the Property (or any part of your Property) into another party's/ parties' name, assign their interest in the Property, arrange/obtain another mortgage on the Property, obtain an extended lease of the Property or otherwise deal with or give away or otherwise permit the creation of any overriding interest in the Property, including the granting of any lease over the whole or any part of the Property;
- (B) accept the surrender of any lease or tenancy of the Property;
- (C) alter or extend the Property.

14. Use and occupation of the Property

14.1. If your Offer states that the Property is to be used by the Mortgagor as their residential home and must not be used for letting purposes:

- (A) The Mortgagor must occupy the Property and must not, without our prior consent in writing, grant or agree to grant or renew any lease or tenancy of the Property or give to any person any contractual or other licence or right to occupy or live in the Property.
- (B) We will not refuse to allow the Mortgagor to let the Property where they and the Property satisfy the conditions we reasonably require for letting of properties at that time.

14.2. If the Mortgage is a Buy To Let Mortgage:

- (A) The Property must only be occupied for residential purposes as a single private dwelling and the Mortgagor must not change the use of the Property or allow the Property to be used by any tenant for a trade or business.
- (B) The Mortgagor must not occupy the Property and they must not agree to grant a tenancy of the Property to any of the following:
 - (I) any of your family members (the term "family members" includes, for example, a spouse, civil partner, parents, grandparents, siblings, children and grandchildren);
 - (II) people who have made an application for asylum in the United Kingdom; or
 - (III) people who could claim diplomatic immunity.
- (C) The Mortgagor must not, unless we have agreed in writing, grant or agree to grant or renew any lease or tenancy of the Property or give to any person any contractual or other licence or right to occupy or live in the Property other than a tenancy which complies with our requirements.
- (D) The Mortgagor must ensure that any tenancy agreement for the Property complies with the following:
 - (I) the letting must be for residential purposes only;
 - (II) they cannot let out parts of the Property under two or more separate tenancy agreements at the same time;

- (III) they cannot let out the Property as a house in multiple occupation, as defined in section 254 of the Housing Act 2004;
 - (IV) any tenancy of the Property created before 1 March 1997 must be an assured shorthold tenancy and must be for a term of not less than six months. The Mortgagor's solicitor must produce to us or to our solicitor, upon request, valid notices served under Section 20 of the Housing Act 1988 before the tenancy was created, together with a copy of the tenancy agreement;
 - (V) any tenancy of the Property created after 28 February 1997 must in all respects comply with the Housing Act 1996 as an assured shorthold tenancy;
 - (VI) any tenancy of the Property in Wales must be an occupation contract and comply with the requirements of the Renting Homes (Wales) Act 2016;
 - (VII) (further to paragraphs (IV), (V) and (VI) above) the Property cannot be let as a short term or holiday let;
 - (VIII) produce evidence to our solicitor, before buying the Property, that all provisions of Part 1 of the Landlord and Tenant Act 1987 and the Housing Act 1988 have been complied with by them or seller where they purchased the Property and at the time they purchased it, the Property was subject to a tenancy agreement;
 - (IX) the tenancy agreement must not be for a term of more than 12 months;
 - (X) the letting must not confer any security of tenure on the tenant(s) beyond the end of the contractual term of the tenancy agreement, or permit the tenant to sub-let the Property or any part of it;
 - (XI) the tenant(s) must not be able to extend the term without your consent;
 - (XII) references about the proposed tenant(s)' ability to pay the rent and their character must be obtained and must be made available when we ask for them;
 - (XIII) any tenancy agreement must (a) be in a form normally used for assured shorthold tenancy agreements and (b) contain no terms which can adversely affect our interest as mortgagee; and
 - (XIV) any deposit must be held by a body approved by the Government pursuant to the requirements of the Housing Act 2004.
- (E) The Mortgagor must inform us if the Property remains unoccupied for a period of more than three months, and inform us when the Property is let. The Mortgagor must also inform us if they anticipate the Property will be unoccupied for a period of more than three months, and inform us when the Property is let.

15. Insuring the Property

- 15.1. The Mortgagor must make sure the Property is covered by buildings insurance for its full reinstatement cost including site clearance and paying all fees and expenses for as long as it is security for money that you owe us.
- 15.2. The policy must cover all usual house insurance risks including fire, explosion, earthquake, storm, flood, escape of water or oil, subsidence, heave, landslip and malicious damage.
- 15.3. The Mortgagor must not do anything which means the insurer could refuse to pay claims under the buildings insurance.

- 15.4. If the Property is not insured, we may insure the Property and pass on the cost to you including by applying it to the Loan.
- 15.5. If the Property is leasehold and the landlord is responsible for insuring it, the Mortgagor must make sure that they are doing so. If the landlord does not insure the Property, or it is insured for less than its full reinstatement cost, the Mortgagor must let us know.
- 15.6. The Mortgagor must not do anything or allow anything to be done or not done which may make the insurance invalid or which makes the insurance more difficult or expensive to obtain or maintain or affects the ability to make a claim under the insurance policy.
- 15.7. We may, on the Mortgagor's behalf, settle and adjust any claims against the insurers of the Property. In the event of a payout following a claim on the policy (whether arranged by the Mortgagor or us), we may receive any money paid out under the claim or, if the Mortgagor receives it, they must hold it in trust on our behalf and keep it separate from their other funds. We will use any money paid under the insurance policy to rebuild or repair the Property unless it is impracticable to do so, in which case, we will use the money to reduce or pay off the Outstanding Balance.

16. Action we may take

- 16.1. If you are in default on the mortgage and you have become obliged to pay us the Outstanding Balance immediately we may take the action below. We may also appoint a receiver to do so instead of us. A receiver is someone we can appoint to manage the Property for us. Although the receiver is appointed by us, they act for the Mortgagor and in their name (not us) and you would have to pay their fees.
- 16.2. We, or any receiver, may do the following to protect our position and safeguard the Property as security for the Loan:
 - (A) generally manage the Property including collecting and receiving all rents, arranging any necessary repairs and maintenance, ensuring compliance with local authority requirements, maintaining, renewing or increasing insurances and serving notices under any relevant housing legislation;
 - (B) take possession of the Property and take any action or proceedings necessary to do so;
 - (C) sell the Property whether or not we have taken possession for a price and on such terms as we may think fit always ensuring that we obtain the best price reasonably obtainable in the circumstances;
 - (D) let or sublet the Property and vary, renew, terminate, surrender or accept surrenders of leases, tenancies or licences over the Property for a price and on such terms and for such rent and payment as are reasonable in the circumstances;
 - (E) sell any freehold or leasehold reversions created as a result of letting or subletting the Property under paragraph (d) above; and
 - (F) where the Property has been let or sublet under paragraph (d) above, exercise, on the Mortgagor's behalf and without having to give the Mortgagor prior notice or obtain their consent, all the powers and duties conferred on a landlord by legislation in force at the time.

- 16.3. If we, or a receiver appointed by us, take possession of the Property the Mortgagor must remove all furniture and other moveable property (personal items) from the Property within 7 days and must not remove any fixed items from the Property without our agreement in writing.
- 16.4. If any furniture or moveable items are not removed within 7 days then the Mortgagor agrees that we or the receiver may:
 - (A) deal with them as the Mortgagor's agents and at your expense;
 - (B) sell or otherwise dispose of anything which belongs to the Mortgagor, in which case we (or the receiver) will give the Mortgagor any proceeds received less all reasonable expenses of the sale; and
 - (C) remove and store anything which we know does not belong to the Mortgagor.
- 16.5. Where more than one receiver is appointed, each joint receiver may act separately and independently of any other joint receiver (unless the document appointing such receiver states otherwise). We may from time to time remove a receiver and appoint another in his or her place.
- 16.6. A receiver may charge any amount for his or her services as we reasonably agree with him and you will be responsible for paying those fees. We, and any receiver, may also employ and pay agents to act in our or the receiver's place. These agents will be treated as the Mortgagor's agents and you will also be responsible for their fees so long as they are reasonable.
- 16.7. The Law of Property Act 1925 sets out certain rules in relation to the appointment of a receiver and the enforcement of security. It is typical for a mortgage lender to disapply certain of those rules and we do that as set out below:
 - (A) Section 109(8) of the Law of Property Act 1925 is amended to allow a receiver to use any money received by him or her to repay any money owing by you in such order of priority as we and the receiver reasonably agree, rather than a specific order set out in those rules;
 - (B) Sections 99, 100 and 103 of the Act set out some specific powers in relation to dealing with a Property, but we or a receiver are able to dispose of the Property in any way that we see fit provided that we or they act reasonably and do not breach these Terms.

Please ask your legal adviser if you require further information.

17. Power of Attorney to act on your behalf

- 17.1. We, and any receiver appointed over the Property, may need to take certain action (including signing documents) on the Mortgagor's behalf to protect our security. The Mortgagor appoints us and any receiver appointed over the Property to be their attorney to take such action where necessary. This means we, and any receiver appointed over the Property, are legally entitled to act on the Mortgagor's behalf. We are appointed for as long as the mortgage remains in force securing any money you owe to us.
- 17.2. We will give you 30 days written notice that our powers have arisen (in which case our powers will then continue for a period of twelve months from the date of that notice).
- 17.3. If there are two or more Mortgagor's then you agree that we and any receiver will be attorney for each of the Mortgagor's individually as well as for all of the

Mortgagor's jointly.

- 17.4. Each Mortgagor gives us a power of attorney authorising us and any receiver to act on their behalf to take any action which they are obliged to take under these Terms, including but not limited to:
- (A) signing and completing any document which is needed to make good any defect in your title to the Property or in the mortgage;
 - (B) transferring their share or interest in any residents' society or management company, or their legal or beneficial interest in the freehold or leasehold reversion of the Property when we exercise our powers as mortgagee to sell or lease the Property;
 - (C) transferring any right to acquire further or additional shares or interests in the Property which is included in, or otherwise granted to the Mortgagor in, a shared ownership lease (or any documentation supplemental to or associated with such lease);
 - (D) entering into any variation of their title to the Property in order to protect or enhance our security; and
 - (E) settling any claim made by their landlord or management company (if the Property is leasehold) or rent charge owner (if the Property is subject to a rent charge) if we think it reasonable for us to settle it in order to protect our security or maintain its value, even though the Mortgagor may dispute the sum claimed.

18. Compensation from Third Parties

- 18.1. The Mortgagor may at some time be entitled to recover money or damages:
- (A) to correct or compensate for defects or damage relating to the Property or the title to it; or
 - (B) for any breach of contract or wrongful act or omission which may have caused damage to the Property or to the title to it or caused the Mortgagor to accept the Property or the title to it in a damaged or defective condition.
- 18.2. If the Mortgagor recovers money or damages pursuant to Condition 18.1 above, they may use the money or damages recovered either towards making good the damage or defects or towards payment of the money secured by the mortgage.

Part 3 - General Terms

19. Joint Borrowers

If there is more than one of you:

- (A) these Terms apply to all of you together and to each of you on your own;
- (B) each of you can be held fully responsible for keeping to these Terms.

This means that we can pursue each of you individually and both of you together to recover the Outstanding Balance.

20. Transferring the Mortgage

- 20.1. We may sell, transfer, assign, charge or otherwise dispose of our interest (in whole or in part) in the Loan, Mortgage and the Outstanding Balance to another person at any time at law or in equity on such terms as we may decide and without your consent.

- 20.2. Unless the terms of the transfer state otherwise, a transferee of the Loan, Mortgage and the Outstanding Balance will be able to exercise all the rights, powers and remedies which we are able to exercise before the transfer. In the event of a transfer, your obligations to us under the Agreement will continue for the benefit of the transferee.
- 20.3. You agree that we may at any time transfer all or some of our obligations under the Mortgage (including the Agreement) to another person. If we do so, you will be able to enforce the transferred obligations against that person in the same way that you could enforce them against us before the transfer.
- 20.4. If we transfer our rights under the Loan and Mortgage you will no longer be a borrowing member of the Society.
- 20.5. Any transfer will not:
 - (A) reduce your rights or increase your obligations under the Loan and Mortgage including under the Agreement; and
 - (B) reduce any guarantees you have under or by virtue of the Loan and Mortgage including under the Agreement.
- 20.6. We may disclose the following to any person who takes, or is about to take, a transfer, assignment, charge or other disposal of all or part of our interest in, or any of our rights under or in respect of, the Loan, Mortgage and the Outstanding Balance, or who takes, or is about to take, a transfer of all or some of our obligations under the Loan and Mortgage including the Agreement:
 - (A) any information you gave us when you applied for any Loan;
 - (B) any documents supporting your application;
 - (C) any other information or documents we hold concerning the Property, the Agreement, any other security we hold in respect of the Outstanding Balance, or the way you have performed your obligations under the Agreement.
- 20.7. You may not assign your rights or obligations under the Agreement.

21. Notices

- 21.1. We may give you notice under these Terms by writing to you personally either:
 - (A) by post to your last known address (which unless you have told us otherwise will be the Property); or
 - (B) by electronic communication to any number or email address you have given us for this purpose.
- 21.2. Any notice we give will be considered as received by you as follows:
 - (A) **Post:** The second working day after date of posting (regardless of class of post).
 - (B) **Email:** The day the email is sent.

22. Changing Your Address

- 22.1 You must tell us before you change your address, or if this is not possible, as soon as possible afterwards. You must also tell us if you want us to use a different address to communicate with you.
- 22.2 If you change your address to an address in a different country, we may be unable to continue to provide all the features and services currently available on your

Loan, because of rules, regulations or laws that could exist in the country of your new address.

- 22.3 If this happens, we may, acting in a reasonable and proportionate manner, change, restrict or stop a feature or service we provide you in connection with your mortgage.
- 22.4 If your address changes back to an address in your original country, any changes or restrictions on the features or services that apply because you changed your address will be removed.
- 22.5 We will try to tell you before if we need to change, restrict or stop a feature or service but if we were breaking any rules, regulations or laws by continuing to offer the feature or service in the country of your new address, we may have to stop it immediately.

23. Repaying Your Loan Immediately If You Change Address to an Address in a Different Country

- 23.1 If you change your address to an address in a different country, we may require you to repay your Loan immediately, but only if:
 - (A) there is no realistic alternative for us as a prudent and responsible lender; and
 - (B) it is a reasonable and proportionate action to take having regard to the effect of the change in address.
- 23.2 An example of when we might ask you to repay your Loan immediately in accordance with Term 21.1 is where it would be illegal or would constitute a breach of applicable regulation, rule or law for us to collect payments from you or continue to maintain a mortgage relationship with you, or if a regulator in that country directs us to cease lending in that country.

24. Other terms to be aware of

- 24.1. All communications between us may be monitored or recorded to improve the quality of our service and for your protection and security.
- 24.2. We will supply these Terms and otherwise communicate with you in connection with your Loan in the English language.
- 24.3. Each of the provisions of these Terms are distinct from each other. If one or more provisions becomes illegal, invalid, void or unenforceable, this will not affect any of the remaining provisions and the remaining provisions shall apply as if the illegal, invalid, void or unenforceable term had not been included.
- 24.4. Laws and regulations imply certain terms into our Agreement with you. For example, as well as the powers set out in these Terms, we and you both have some other legal rights. Unless these Terms explicitly disapply those rights, they will be applicable to you or us.
- 24.5. If we decide not to enforce any part of these Terms or delay enforcing it, such delay or inaction will not affect our right to enforce the same part at a later date.
- 24.6. We can change these Terms if it is reasonable to do so:
 - (A) to make them easier to understand or to make them fairer to you;
 - (B) to change the way we look after your account as a result of changes beyond our reasonable control in the banking or financial system, technology or the

systems we use to run our business;

- (c) to enable us to respond proportionately to changes to legal and regulatory requirements, codes of practice or the way we are regulated, or a decision of a court or ombudsman.

We will give you not less than 30 days' written notice of any change to these Terms.

- 24.7. No person other than a party to the mortgage or a person who takes a transfer of our interest in the Loan, Mortgage or the Outstanding Balance may enforce any rights under these Terms or the Offer under the Contracts (Rights of Third Parties) Act 1999.
- 24.8. These Terms are governed by the laws of England and Wales and the Courts of England and Wales shall have exclusive jurisdiction over any claim or dispute, including non-contractual disputes or claims, in relation to this Agreement.

**STAFFORD RAILWAY
BUILDING SOCIETY**

4 Market Square, Stafford,
Staffordshire, ST16 2JH.

Tel: 01785 223212
info@srbs.co.uk
srbs.co.uk