

## **Buckinghamshire Building Society Standard Mortgage Conditions 2017**

These Standard Mortgage Conditions (the "Conditions") are the conditions under which the Property will be mortgaged to us following completion of the mortgage. You must read them carefully and ask your solicitor or conveyancer to explain anything you do not understand before completion.

Your mortgage secures all money payable by you to us at any time under these Conditions. It secures any additional borrowing under the mortgage.

You should have received our charges tariff. This shows the Fees and Charges which may be payable in respect of your mortgage. We may change these from time to time to respond, proportionately, to changes in the costs we incur in providing the relevant service or carrying out the relevant activity. We will notify you of any changes to the fees and charges set out in the tariff, at least 30 days before they come into effect.

We may transfer your mortgage to anyone at any time in accordance with Condition 11. In taking out the mortgage, you specifically consent to this.

### **1. Definitions and interpretation**

1.1 In these Conditions "the mortgage" means the particular mortgage to which the Conditions apply and expressions used in the Mortgage Deed have the same meanings in these Conditions.

1.2 In these Conditions and in the mortgage:

1.2.1 "the Additional Borrowing Rate" has the meaning given to it by Condition 14.2;

1.2.2 "Arrears" means any payments (including the Principal Sum, interest at the Prescribed Rate, any Fees and Charges and any Costs) which remain unpaid after they fall due for payment;

1.2.3 "The Borrower", "you" and "your" means the person(s) named as Borrower in the Mortgage Deed and includes your legal representatives should you die, become insolvent or unable to manage your affairs. If there is more than one of you, references to the Borrower or to you means all of you together and each of you separately, **which means that each of you is responsible on your own for all the obligations of the Borrower, and not just a part or proportion of them;**

1.2.4 "Costs" means all reasonable costs, charges and expenses reasonably and properly incurred by us under these Conditions,

1.2.5 "Fees and Charges" means the various fees and charges which may be payable for your mortgage, as set out in our charges tariff, a copy of which should have been provided to you;

1.2.6 "the Guarantor" means any person who has guaranteed your obligations under the mortgage in a Deed of Guarantee and includes his or her personal representatives;

1.2.7 "the Initial Rate" means the initial rate of interest set out in the Mortgage Offer in respect of the Principal Sum;

- 1.2.8 "month" means calendar month;
- 1.2.9 "Monthly Payments" means the monthly payments of the Principal Sum, the interest at the Prescribed Rate, and any other amount which has become payable under Condition 16, in the amounts stated in each Mortgage Offer (or the latest Mortgage Offer if we have made more than one) for each advance made to you. For the avoidance of doubt, this excludes any Arrears, Fees and Charges and Costs, unless we agree otherwise.
- 1.2.10 "Mortgage Deed" means any deed of legal charge relating to the Property that you sign which says that these Conditions are incorporated in it.
- 1.2.11 "Mortgage Offer" in respect of any advance under the mortgage means the document offering you that advance including any conditions contained or referred to in it. Your "Mortgage Offer" may consist of more than one document.
- 1.2.12 "Mortgage Term" means the period of time during which you agree to repay the loan to us as specified in your Mortgage Offer.
- 1.2.13 "the Planning Acts" means the Acts of Parliament, regulations, orders directions, notices and bye-laws from time to time in force relating to town and country planning, building and construction and the environment;
- 1.2.14 "the Prescribed Rate" means the rate of interest which applies to the mortgage from time to time under Condition 14;
- 1.2.15 "the Principal Sum" means the amount we lend you as set out in the Mortgage Offer and all other sums which under the mortgage or these Conditions are to be treated as part of the Principal Sum, because they will be added to the amount you are borrowing. For the avoidance of doubt, this excludes any Arrears, Fees and Charges or Costs due;
- 1.2.16 "the Property" means all the property (or any part of it) described in the Mortgage Deed and includes all fixtures and buildings of any kind (including fixtures and buildings added after the completion date);
- 1.2.17 "the Rules" means the Rules of the Society as amended from time to time (which means that any alterations made after the date of the mortgage will be binding on you);
- 1.2.18 "the Society", "we" and "us" means Buckinghamshire Building Society and includes anyone to whom we may transfer, assign or charge or otherwise dispose of any rights under the mortgage and anyone who takes over our business; and
- 1.2.19 "year" means the twelve months ending on the 31st December.
- 1.3 Any references to a person includes reference to a company or other corporate body, masculine expressions include the equivalent feminine expressions, and references in the singular include the plural and vice versa.
- 1.4 Any references to any Acts of Parliament or statutory instruments include any changes to, or replacements of, them.
- 1.5 If any provision of these Conditions is found to be invalid, illegal, or unenforceable, the remaining Conditions will be read and interpreted as if that provision had not been included. For these purposes, "provision" means a separate Condition of a numbered Condition, whether separately numbered or not.

1.6 The headings in these Conditions are for convenience only. They have no legal effect on these Conditions.

## **2. Payment obligations**

2.1 You promise to us to do all the following:

- 2.1.1 To pay the Monthly Payments. The first payment must be made on the date stated in the completion letter and subsequent payments must be made on the corresponding day in each following month. If there is no corresponding day in any given month, the payment must be made on the last day of that month. The Monthly Payments must be paid until the whole of the Principal Sum, interest at the Prescribed Rate and any other sums due to us under these Conditions have been paid in full. The Principal Sum and all interest and other sums payable under these Conditions must be paid in full by the end of the mortgage term specified in the Mortgage Offer, unless the Society (in its sole discretion) agrees otherwise. There may be circumstances in which the mortgage term is extended as a result of changes to interest rates. Please see Condition 15.3. The amount of your Monthly Repayments may vary in accordance with Condition 16.
- 2.1.2 To pay to us any Arrears immediately upon such payment becoming due.
- 2.1.3 To pay to us, within seven days of our request, all Fees and Charges which become due and payable under the tariff of charges, a copy of which should have been provided to you.
- 2.1.4 To pay to us, within seven days of our request, all Costs we incur in connection with:
- 2.1.4.1 the protection of the Property;
  - 2.1.4.2 enforcement of the mortgage or any other security we hold for payment of the sums which the mortgage secures;
  - 2.1.4.3 the collection of sums due under the mortgage or such security; or
  - 2.1.4.4 otherwise in connection with the exercise or attempted exercise of any powers or remedies given to us by law or under these Conditions or the Rules.
- 2.1.5 These Costs include the costs of legal proceedings brought against you. Costs will be added to the Principal Sum from the end of the seven day period mentioned above and will carry interest at the Prescribed Rate under Condition 14.
- 2.1.6 If we sell the Property and the net proceeds of sale are not sufficient to pay all the sums due to us under the mortgage and these Conditions, you agree to pay the shortfall to us immediately on our request.
- 2.1.7 To pay interest at the Prescribed Rate on any sums due to us, from the date such sums become due until the date when you pay us. This includes payment of interest both before and after any judgment we may have obtained for the payment of money.

## **3. Obligations relating to the Property**

3.1 You promise to us to do all the following:

- 3.1.1 That you will comply with and perform all restrictive or other covenants and stipulations which may affect the Property at any time or from time to time. This includes any covenants and stipulations which may affect the use and enjoyment of the Property and the lessee's covenants in any lease under which the Property is held.
- 3.1.2 To pay all rents, rates and outgoings of any kind due in respect of the Property and if required to produce to us the receipt for every such payment.
- 3.1.3 To complete to our reasonable satisfaction any building which may at any time be in the course of being constructed on the Property.
- 3.1.4 To look after the Property, and keep every part of it (including all buildings and structures of whatever kind) in good and substantial repair to our reasonable satisfaction.
- 3.1.5 Not to make or allow to be made any structural alteration or addition of any kind to the Property without our written consent, which we will not unreasonably withhold.
- 3.1.6 Not to carry out any building or other activity on the Property which may be, or may involve, development within the meaning of the Planning Acts without our written consent, which we will not unreasonably withhold.
- 3.1.7 Not to change the use of the Property (within the meaning of the Planning Acts) without our written consent, which we will not unreasonably withhold.
- 3.1.8 Not to use the Property for any illegal purpose, and not to create any environmental liability in respect of the Property.
- 3.1.9 Not to apply for a renovation grant in respect of the Property without our written consent, which we will not unreasonably withhold.
- 3.1.10 Not to grant or agree to grant any lease or tenancy of, or licence to occupy, the Property or any part of it without our written consent, which we will not unreasonably withhold.
- 3.1.11 Not to part with or share possession or occupation of the Property. Any power to let the Property that you might otherwise have under the Law of Property Act 1925 does not apply to the mortgage. You do not have the right to let the Property without our consent (even if you had such right under the Law of Property Act 1925).
- 3.1.12 To permit us to enter the Property and inspect its state and condition and to carry out any works necessary to make good any failure by you to perform your obligations under Conditions 3.1.3 and 3.1.4 below. We will give you reasonable notice in writing before we exercise this right (except in case of emergency where we need not give you any notice). Any costs incurred by us in acting under this Condition will be Costs for the purposes of these Conditions. By exercising our powers under this Condition, we will not become liable as a mortgagee in possession.
- 3.1.13 To comply with the Planning Acts, housing and environmental laws in all respects relating to the Property and to reimburse us any costs or liability we may incur arising under the Planning Acts in relation to the Property.
- 3.1.14 Send us within seven days a copy of any notice, order, proposal, application, requirement, consent or receipt given or made by a public or local authority including any third party (such as a landlord) in relation to the Property that might be important To take all steps which may be necessary to comply with anything mentioned in Condition 3.1.13

above; and if reasonably required, produce to us the receipt for any payment made by you in compliance with that Condition.

- 3.1.15 To pay all charges for laying or connecting the Property to any drains or sewers.
- 3.1.16 If we require, to grant us a first legal charge at your expense over any extended term, extended lease or freehold interest, or other increased interest in the Property which you obtain. The legal charge must be in our current form at the relevant time. We will supply you with a copy of this for your signature.
- 3.1.17 Not to sell or dispose, or attempt to sell or dispose of, the Property, or to create any other mortgage or charge over it without our written consent.

#### **4. The Rules and the Mortgage Offer**

4.1 You agree that you will at all times be bound by the Rules, which form part of the contract between you and us. If there is any inconsistency between the Rules and the mortgage (including these Conditions), the terms of the mortgage will take priority. You also agree to comply with the terms of the Mortgage Offer. If there is any inconsistency between the Mortgage Offer and these Conditions, the terms of the Mortgage Offer will take priority.

#### **5. Demanding immediate repayment**

5.1 We can demand that you immediately repay the Principal Sum and interest at any time if any of the following happens:

- 5.1.1 You have failed to pay when due, and still owe, an amount equivalent to two of the monthly payments payable under these Conditions.
- 5.1.2 A bankruptcy order has been made against you or any Guarantor or either you or any Guarantor has entered into any arrangement with your creditors.
- 5.1.3 You have failed to comply with any of your obligations contained in these Conditions in any material way, and have not put right the failure within a reasonable period of our asking you to do so.
- 5.1.4 The Property has been compulsory purchased or requisitioned.
- 5.1.5 In our reasonable opinion, the Property has been damaged or abandoned or has lost value through neglect or mismanagement such that the adequacy of our security is at risk.
- 5.1.6 You have dishonestly provided us with incorrect or misleading information in connection with your application for the mortgage.

5.2 If you fail to repay the Principal Sum and interest when required under Condition 5.1, we may exercise our power of sale and/or our other enforcement rights under the mortgage.

#### **6. Power of Sale**

6.1 The statutory powers that we have as a mortgage lender under the Law of Property Act 1925 will come into force one month after the date of the mortgage. Our power of sale under that Act, as extended by Condition 5 will then arise, and will be exercisable in accordance with Condition 5. No purchaser or other person dealing with us as mortgagee need be concerned about whether our powers as mortgagee have become exercisable.

6.2 If we take possession of the property or appoint a receiver of it, we may remove, store and/or sell any furniture, personal items in it. Our rights in this regard are set out at Clause 8.1.6. We will notify you of this before we do it, You will be responsible for any costs we reasonably incur. We will account to you for any sale proceeds we receive (after deducting our reasonable expenses) but otherwise we will not be responsible for any loss caused to you, providing we take reasonable care in the circumstances.

## **7. Power to appoint a receiver**

7.1 At any time after the Principal Sum has become immediately repayable under Condition 5, we have the power given to us by the Law of Property Act 1925 to appoint a receiver but so that:

7.1.1 The receiver will be entitled to such reasonable payment as we may state in the form of appointment or subsequently agree in writing with the receiver. If the payment is stated subsequently, we may retrospectively approve a rate of commission, fee or method of charging or any combination of those matters or any variation of them; and

7.1.2 After payment of the expenses and fees mentioned in Section 109(8) (i), (ii) and (iii) of the Law of Property Act 1925 the receiver may use any money they receive to reduce or pay off any part of the Principal Sum or interest or other amounts owing under these Conditions.

7.2 The Receiver may be one of our employees. If this is the case, he is still entitled to charge and be paid as stated in Condition 7.1.1.

7.3 Except where not permitted by law, the receiver will act as your agent.

7.4 We may remove any receiver by giving notice in writing to that effect to you.

## **8. Additional powers of the Society and receiver**

8.1 At any time after the power of sale has become exercisable us, we or any receiver we have appointed may do all or any of the following:

8.1.1 Seek an order to remove you and any tenants, workmen or other persons who are in possession of the Property without our written consent.

8.1.2 Accept surrenders and grant leases or tenancies as either we or the receiver may in our or his discretion reasonably think fit.

8.1.3 Carry out such repairs, alteration and additions to, and generally manage, the Property as either we or the receiver may in our or his discretion reasonably think fit.

8.1.4 Employ and pay collectors and other agents for exercising such powers.

8.1.5 Retain any money received by way of provision for future payment or other money payable by you under the mortgage or these Conditions.

8.1.6 As your agent and at your expense remove, store, sell or otherwise dispose of or deal with any furniture or goods which you refuse or omit to remove from the Property after we have given you reasonable notice to do so. This Condition does not give us any charge over or interest in such furniture or goods.

- 8.1.7 Give up possession of the Property by giving notice in writing to that effect to you.
- 8.1.8 Sell the Property by any method we or the receiver reasonably considers appropriate.
- 8.1.9 Exercise any power which we would be able to exercise under the mortgage.

## 9. Additional Borrowing

9.1 We may offer you additional borrowing (which may include re-advances of capital already repaid) and all additional borrowing will be treated as part of the Principal Sum from the date on which it is advanced to you.

## 10. Guarantor

10.1 Your Mortgage Offer may require you to provide a Guarantor for your mortgage. By signing the Mortgage Deed, the Guarantor agrees to pay your total debt if you fail to do so and agrees to this Condition 10.

10.2 By giving a guarantee, the Guarantor may become liable instead of, or as well as you.  
**A guarantor MUST take independent legal advice before signing the Mortgage Deed.**

10.3 If we have required a Guarantor then the following provisions apply:

10.3.1 the Guarantor agrees to be equally as responsible as you for all your obligations to us under the mortgage and to pay us on demand in full any monies due from you under the mortgage but unpaid. This includes:

10.3.1.1 the Principal Sum;

10.3.1.2 any outstanding interest;

10.3.1.3 any outstanding Arrears;

10.3.1.4 any outstanding Fees and Charges;

10.3.1.5 any outstanding Costs; and

10.3.1.6 and any other payments due and payable under these Conditions.

10.3.2 any arrangements we may make with you will not effect the obligations of the Guarantor to pay your total debt if you fail to do so. The Guarantor will remain liable even if:

10.3.2.1 we have made a previous demand, or the Guarantor has made a previous payment;

10.3.2.2 we take any further security in relation to the total debt, or any other security is found to be not enforceable for any reason;

10.3.2.3 we allow you or the Guarantor additional time to make any payment or any other concession; or

10.3.2.4 you (or any of you) or any person comprising the Guarantor dies, becomes insolvent or incapable of managing their affairs.

- 10.3.3 The Guarantor does not have any rights or interests in any money held by us or acquired by us, whether from you or any other source, towards the reduction of the total debt.
- 10.3.4 The Guarantor will not be responsible for any loan other than the original loan or interest relating to any additional loan unless the Guarantor has consented to that additional loan in writing.
- 10.3.5 Unless the Guarantor agrees otherwise, the Guarantor's liability is limited to the amount of the original loan together with all interest, costs and fees forming part of the total debt that relates to the loan.
- 10.3.6 If there is more than one Guarantor, each Guarantor is separately responsible for the whole of the obligations and liabilities of a Guarantor under the conditions.
- 10.3.7 Our right to claim against any Guarantor is independent of and additional to any other security we hold for the total debt. We do not have to exercise our right in respect of any other security before exercising our right to claim against the Guarantor.
- 10.3.8 Failure or delay on our part in utilising our rights against a Guarantor will not prevent us from using those rights in the future.
- 10.3.9 We may hold any monies we receive from a Guarantor in a separate suspense account,
- 10.3.10 You consent to us providing information about the mortgage to a Guarantor

## **11. Transfer**

- 11.1 We may transfer, charge or dispose of some of or all of our interest in the mortgage to another person at any time on such terms as we may decide. This will not reduce your rights under the mortgage: however, your borrowing membership of the Society may cease. By signing the mortgage, you give your consent to any transfer. Unless the terms of the transfer, charge or instrument of disposal state otherwise, a transferee of the mortgage will be able to exercise all of the rights, powers and remedies which we could exercise before the transfer, charge or disposal.
- 11.2 We may pass to any person to whom we transfer, charge or dispose of the mortgage (or who we are considering transferring, charging or disposing of the mortgage) the particulars contained in your application for a mortgage and any supporting documentation or information and any other documentation or information relating to the Property, the mortgage, any other security we hold for the payment of the sums which the mortgage secures or the way in which your account with us has been conducted. You agree that a person to whom information or documentation is passed under this Condition may rely upon its truth and accuracy.

## **12. Insurance**

- 12.1 We strongly recommend that the Property is insured for its full reinstatement value from time to time with an insurer of good repute against loss or damage by fire, flood, heave, landslip, oversite subsidence and foundation subsidence and such other risks as we may reasonably require from time to time.
- 12.2 If you fail to insure the Property in accordance with the recommendation 12.1 above or to pay any premium required by your insurer, we may insure the Property with an insurer



of our choice (or pay any premium required by your insurer) as the case may be. We may charge any premiums we incur in doing so to your mortgage account where they will become part of the Principal Sum and attract interest in accordance with Condition 13. We will not be under any obligation to insure the Property or to pay any premium required by your insurer.

- 12.3 You may ask us to arrange to insure the Property for you, at your expense. If we agree to arrange or insure the Property for you, we will use an insurance broker or an insurer of our choice. We will treat the insurance premium (plus any fees or charges we incur as a result of arranging such insurance) as Fees and Charges, which will be added to your mortgage account and be due and payable in accordance with Condition 2.1.3. We will not pay you in respect of any commission earned or which we receive for arranging your insurance. We may change the insurance broker or insurer from time to time.
- 12.4 You may insure the Property with an insurer of your choice. If you insure the Property you must pay all of the premiums required on or before the date on which they are due and provide us with evidence if and when we request you to do so that the policy is in force and that you have paid the premiums.
- 12.5 You give us full power to settle and adjust the amount payable in respect of any Property under any insurance and the liability of the insurer concerned. By signing the Mortgage Deed and as security for your obligations under it you irrevocably and forever (until the Principal Sum and all interest has been repaid) appoint us as your attorney on your behalf and in your name to give and receive a good discharge for any money arising in respect of the Property under any insurance to which you are a party (whether arranged by us or not).
- 12.6 We will not be under any obligation to check the adequacy of any insurance or insurer of the Property. We will also not be under any obligation to check that any insurance which you arrange yourself is in force at any time. These matters will be your responsibility.
- 12.7 You must not, without our consent (which we will not unreasonably withhold) or unless we specifically ask you to do so, put into place or keep in place any other or additional buildings insurance in respect of the Property. If you do put or keep in place any other or additional insurance in respect of the Property (whether having asked for our consent or at our request or not and whether the policy is in your sole name or not) you agree to hold all money received in respect of the same in trust for us (that is, on our behalf).
- 12.8 Any money received by either us or you from an insurer in respect of the Property must be used either in or towards making good the loss or damage in respect of which the money is received if reasonably practicable or (if we reasonably so require) in or towards payment of the Principal Sum and any other sum due to us.
- 12.9 You must not, without our written consent (which we will not unreasonably withhold) do, or fail to do or allow anything which may make any insurance in respect of the Property either invalid or more expensive.
- 12.10 If the Property is leasehold and insured by the landlord you must, on request, show us such documentation relating to the policy as we may reasonably require. The insurer and the terms of the policy must be approved by us, but we will not unreasonably refuse approval.

### **13. Charging of interest**

13.1 Interest will be charged on a daily basis. Interest will be charged on the day to day balance of money lent to or becoming owing by you and will be debited to your mortgage account on the last day of each month and on the date of redemption. Interest debited to your mortgage account and remaining unpaid will form part of the Arrears, and will attract interest which will be debited to your account in accordance with this Condition.

13.2 You should note that you will pay more interest if you make your monthly payment on even a day later than the payment day.

13.3 We will use all payments made by you first to pay Arrears of Monthly Payments, then interest due and any Costs and then in repayment of the Principal Sum and all other sums payable under these Conditions.

13.4 Interest will continue to be charged even if we get a court order against you, for payment of all or part of the total debt.

#### **14. Rate of Interest**

14.1 The rate of interest which applies to the mortgage (except in respect of any additional borrowing), will be the Initial Rate until that rate is varied in accordance with the terms of this Condition 14. (The rate of interest which applies from time to time is referred to in these Conditions as the "Prescribed Rate".)

14.2 That rate of interest which applies to any additional borrowing will be the Additional Borrowing Rate, which may be varied in accordance with the terms of this Condition 14.

14.3 We may change the Prescribed Rate and the Additional Borrowing Rate by giving you a minimum of 14 days notice in writing of the change unless 14.4 applies

14.4 Where your interest rate is linked to the Bank fo England Base Rate we will adjust the rate of interest payable, unless it will go beneath any floor ( as advised on your mortgage offer) on the 1<sup>st</sup> of the following month

14.5 Any notice under Condition 14.3 and 14.4 above will show the date upon which the change in the interest rate is to take effect, which will not be earlier than the date of the notice.

#### **15. Interest variation**

15.1 Unless your Mortgage Offer states otherwise, we may increase an interest rate we charge you for one or more of the following reasons:

15.1.1 to respond, proportionately, to changes in the Bank of England's official base rate (or the nearest equivalent rate set by the Bank of England or any body which may, in the future, take over responsibility for interest rate setting from the Bank of England);

15.1.2 to respond, proportionately, to any increases in the costs we reasonably incur in operating our mortgage business;

15.1.3 to respond, proportionately, to any increase in our risk if there has been a change in the way the Property is used or occupied;

15.1.4 to respond, proportionately, to the requirements or recommendations of the Financial Conduct Authority or any other body responsible for regulating our business or the

requirements or recommendations of the Financial Services Ombudsman or any other relevant ombudsman;

15.1.5 to respond, proportionately, to any changes, or changes of interpretation, in the relevant laws, regulations or codes of practice relating to financial service providers;

15.1.6 to comply with any agreement with you;

15.1.7 if we transfer your mortgage to another person, or if we acquire mortgages from another lender, to enable us to harmonise interest rates charged to mortgage customers in a reasonable manner;

15.2 Where we change the interest rate we will give you a minimum of 14 days notice of any change and your new repayment if applicable. We may reduce the Prescribed Rate or the Additional Borrowing Rate without notice or any other formality from such date as we may decide, but we will notify you of the reduction as soon as practicable.

15.3 The amount of your Monthly Payments will not be affected by the variation of an interest rate which applies to the mortgage unless we vary those payments in accordance with Condition 16 or you request a variation. Unless and until those payments are varied, a variation in an interest rate will operate simply to increase or reduce the term of the mortgage.

## **16. Variation of payments**

We may vary the amount of the Monthly Payments payable under Condition 2.1.1 to ensure that the Principal Sum and interest are repaid over the mortgage term specified in the Mortgage Offer. For the avoidance of doubt, we will not take into account any Arrears outstanding when recalculating the monthly payments in this way. Any Arrears balance may therefore remain outstanding after the mortgage term. We will give you a minimum of 14 days notice in writing of the amount of the new Monthly Payment and the date from which it is to be payable.

## **17. Shares in management companies**

17.1 If you hold a share or shares in a management company or residents' association or similar body in relation to the Property, you agree to deposit the relevant certificate with us. We will not acquire a charge over the share(s) as a result.

## **18. Associated rights and power of attorney**

18.1 In signing the Mortgage Deed, so far as you are able to do so in law, you transfer to us (until the mortgage ceases to be security for us):

18.1.1 the benefit of any covenant, agreement, option, undertaking or charge relating to the Property or the services to it;

18.1.2 all rights, whether or not existing at the date the mortgage was completed, which may be or become exercisable by you in connection with the Property;

18.1.3 all sums which under any statute, law or contract or in any other way may become payable in respect of the Property or any damage to it or loss in its value; and

18.1.4 the benefit of any other obligation, security, indemnity, right or remedy relating to or affecting the Property.

- 18.2 We may transfer any of our rights acquired under Condition 18.1 above to any person to whom we sell or transfer the Property.
- 18.3 Without affecting to the terms of any transfer under Condition 18.1 above, you appoint us irrevocably (until the mortgage ceases to be security for us) to be your attorney:
- 18.3.1 to take all necessary or appropriate steps to enforce any rights in respect of the Property which you may be or become entitled to enforce against any other person;
- 18.3.2 to receive, where appropriate, and to deal with any benefit of whatever kind arising in respect of the Property or its services, maintenance or amenities;
- 18.3.3 to enter into any deed, assurance, agreement or instrument or do any act which may be required in connection with the exercise or enforcement of any rights given to the Society under the mortgage or these Conditions or any rights you may have of the type mentioned in Condition 17..1 above;
- 18.3.4 to enter into a first legal charge in our favour over any extended term or other increased interest in the Property which you may acquire if you fail to perform your obligation under Condition 3.1.16 to do so within 14 days of being required to perform it; and
- 18.3.5 on completion of a sale of the Property by us as mortgagee to transfer any share such as is mentioned in Condition 17 to the purchaser and to receive any payment due in respect of that transfer.
- 18.4 Any payment received by us under this Condition will, after deduction of our reasonable costs and expenses, be applied by us in reduction of the Principal Sum and interest.

## **19. Consolidation and repayment**

- 19.1 The restriction of a mortgagee's right to consolidate contained in section 93 of the Law of Property Act 1925 will not apply to the mortgage. This means that we may require you to repay all other mortgages you have with us before we release this mortgage.
- 19.2 The mortgage is security not only for the Principal Sum and interest but also for all sums which are now or which later become owing by you to the Society under these Conditions and any other mortgage you have with us. We are not obliged to release any property which we hold as security for sums lent or to be lent to you or any predecessor in title of yours until all the sums for which it is security have been paid to us.
- 19.3 Subject to any restrictions set out in the Mortgage Offer, you may repay the whole or part of the Principal Sum at any time. If you wish to repay the whole, you must pay to us the Principal Sum and interest together with:
- 19.3.1 any early repayment charge that may be set out in the Mortgage Offer; and
- 19.3.2 any further sums which may be required to be paid under the terms of the Mortgage Offer.

## **20. Notices**

- 20.1 Any notice or other document to be served by us on you under the mortgage or these Conditions may be served personally or sent by post to your registered or last-known

address (or to the Property if reasonable attempts to trace you have been unsuccessful). If it is sent by post, it will be taken to have been delivered 48 hours after it is posted.

## **21. Interest only and other concessions**

21.1 If at any time we allow you to make monthly payments under Condition 2.1.1 on an interest-only basis (in respect of all or part of the mortgage), then you will at the end of the mortgage term specified in the Mortgage Offer repay the Principal Sum to us from your own resources. We reserve the right (but we are not obliged) to convert an interest-only mortgage (or the relevant part of it) to a repayment mortgage (so that monthly payments include capital repayment instalments) if:

21.1.1 you do not keep up your payments under the mortgage or any repayment strategy that was intended to be used to pay off the mortgage;

21.1.2 we have reasonable grounds to believe that you may not be able to pay off the mortgage at the end of the mortgage term; or

21.1.3 you fail to comply, in any significant respect, with any of your obligations under these Conditions and do not put right the failure within a reasonable time after we have asked you to do so.

21.2 In considering whether to exercise this right, we will take account of your circumstances (including our understanding of your ability to pay) and we will not act unreasonably.

21.3 It is your responsibility to check that any repayment strategy for an interest-only mortgage is or will be adequate to repay the mortgage at the end of the mortgage term. If you die, interest will continue to be charged until the Principal Sum is repaid in full. You agree to provide us with such information about your repayment strategy as and when we ask for it.

21.4 We may in our discretion make such concessionary arrangements for payment with you as we may think fit but no such arrangement will affect our rights and remedies under the mortgage and these conditions or give rise to any liability of any kind on our part.

## **22. Which Language**

22.1 Unless you and we agree otherwise all communication with you in relation to mortgage will be in English.