SCOTTISH BUILDING SOCIETY

Important information about your mortgage

Mortgage Conditions 2024

Effective from 1 April 2024

Scotland version

We've been helping our members buy homes of their own since 1848

Having a mortgage with Scottish Building Society makes you a valued member. And as part of our commitment to supporting our members, we want to make sure that any conditions relating to your mortgage are easy for you to understand.

Conditions apply to all mortgages granted by Scottish Building Society, and this booklet outlines them for you. We hope to make sense of any legal terms, so that you feel fully informed about your mortgage and the details of your loan with us.

We've tried to keep things as simple and straightforward as possible – but if you have any questions, help is at hand. If your query relates to the legal side of things before your mortgage starts, your solicitor will be able to give you the answers you need. Once your mortgage is up and running, you can get in touch with us for help.

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1. Our agreement with you

These **Conditions** are part of our agreement with you.

Our agreement is also made up of:

- the **Offer of Advance**
- the **European Standardised Information Sheet** (which relates to the **Offer of Advance**)
- the **Standard Security**
- and for as long as you are a borrowing member of Scottish Building Society, our **Rules**.

If you change your mortgage or your mortgage product with us and we issue you with a new **Offer of Advance** and/or a new **European Standardised Information Sheet**, we'll update our agreement with you accordingly.

It's important to read all the parts of the agreement. Please keep them together in a safe place, in case you need to look at them again in the future.

We'll refer to our agreement with you as 'your mortgage' for the rest of this booklet.

First things first

What's included in our agreement with you?

Offer of Advance

Your **Offer of Advance** includes the parts of our agreement that are specific to you – for example, the amount of money we've agreed to lend you and the mortgage option you've chosen.

European Standardised Information Sheet

This document contains the key features and risks of your mortgage. It is presented in a standard way to allow you to check the cost and terms of your mortgage, and compare it with similar mortgages from us or from other lenders.

Standard Security

In Scotland, when you get a mortgage from any lender, your solicitor sets up a **Standard Security** on the property you're buying. This document gives the mortgage lender a security over your home, allowing them to take control of it if you default on your mortgage payments. Effectively, it gives the bank or building society the right to sell your property. Once you have re-paid your mortgage in full, this security can be cleared or 'discharged' with the Registers of Scotland in Edinburgh. You will need to instruct a solicitor to complete this for you.

Our Rules

As a member-based mutual building society, all our mortgage borrowers are bound by the **Society's Rules**, which cover how we are governed. You can read and download our membership **Rules** on our website at www.scottishbs.co.uk. You can also request a printed copy from any of our Relationship Centres.

Buying a home in Scotland

The Law Society of Scotland has prepared step-by-step guidelines to help you through the process of buying a house or flat in Scotland. You can read them on our website at www.scottishbs.co.uk

2. Key terms, and what they mean

When we say '**Society**', '**we**', '**us**' and '**our**' in this document, we mean Scottish Building Society having our head office at SBS House, 193 Dalry Road, Edinburgh EH11 2EF, or anyone who takes over, or merges with the **Society**. If we transfer any of our rights under the mortgage to someone else, 'we' may also refer to the person we've transferred them to. If this happens, it won't reduce your rights under the mortgage.

When we say '**you**', '**your**' or '**the borrowe**r', we mean the person(s) named as the borrower(s) on the **Standard Security**. References to 'you' include your legal representatives should you die, become insolvent, or are unable to manage your financial affairs. Where there is more than one borrower, 'you' and 'your' refers to both of you together and each of you separately. You are each responsible for the full mortgage as individuals, and you're also responsible as a pair or group.

When we say '**your property**', we mean the property shown on the **Standard Security** and includes all fixtures and additions.

'**Advance**' means each and every sum we lend you on the security of the mortgage, and includes each and every further advance or re-advance.

'**Applicable Rate**' means the **current rate**, or, if there's more than one, whichever **current rate** we select as the **applicable rate** in the circumstances.

'**Conditions**' means these mortgage conditions, and includes the Standard Conditions specified in Schedule 3 to the **1970 Act** as amended.

'**Costs**' means all costs and expenses we incur in connection with the mortgage, including (but not limited to) the examples in Condition 9.

'**Current Rate**' means the rate or rates of interest which apply for the time being to the **Advance** or any part of the **Advance**.

'**Environmental Notice**' means any notice issued under the provisions of S78A to S78YC of the Environmental Protection Act 1990 or under Part VI of the Water (Scotland) Act 1980 which relates to **your property** or any neighbouring property.

'**Fees**' means the fees we charge for any document or service we provide in connection with the mortgage, including (but not limited to) the examples in Condition 9.

'**Month**' means calendar month.

'**Monthly Payments**' means the amount we will calculate and you will pay as detailed in Condition 4.

'**Payment Date**' means the date you make your **monthly payments**.

'**Whole Debt**' means all the money (including compounded interest) you owe us at any time on your mortgage.

References to any provision of an Act of Parliament include that provision as updated or altered at any time, whether before or after the date of the **Standard Security**.

If there is any confusion as to which terms apply, or the terms appear to be contradictory, they will apply in the following order:

1. Firstly, the **Offer of Advance**, which includes the latest **European Standardised Information Sheet** relating to the mortgage.
2. Secondly, the **Standard Security**.
3. Thirdly, these **Conditions**.
4. And fourthly, the **Rules**.

3. What you have to pay

A mortgage is a specific type of loan you can use to help you buy a property. For the length or 'term' of your mortgage, you'll make regular monthly repayments. Your monthly repayments are calculated so that by the end of the term you will have paid back the **whole debt** to us. Your mortgage is secured against your home, which means you may lose your home if you can't keep up with the repayments.

Your mortgage will end once you've repaid all the money you owe us. This includes the money we lend you, plus interest, **fees**, charges, or **costs**. When your mortgage ends, we will no longer have any legal rights over **your property**.

You can repay all or part of the money you owe us at any time, as long as you also pay any related **fees** and early repayment charges.

If your mortgage is jointly owned

Each person listed on the mortgage is individually and jointly liable for the mortgage. This means that if any of you dies, is bankrupt, or becomes unable to manage their affairs, this does not affect the liability of the rest of you. We can enforce the mortgage against any or all of you for the **whole debt**.

Please note

We are entitled to give you 3 **months**' notice in writing (or without notice, if the property is compulsorily purchased) if we require you to repay the **whole debt**.

Except in the case of compulsory purchase, we will only do this if we have reason to believe that you have been involved in fraudulent or serious criminal behaviour, or if we believe that the relationship between you and the **Society** has broken down irretrievably.

4. Your monthly payments

We offer a wide choice of mortgages, with different ways to repay. Your repayment type is shown in your **Offer of Advance**. We will work out the **monthly payments** you'll need to make, and set these out in your **Offer of Advance**.

Your **monthly payments** depend on your repayment type:

- **If your offer says 'Capital and Interest'**

  We work out your monthly repayment so that the amount you owe us is repaid with interest in equal instalments over the term of your mortgage. The sum of the **monthly payments** will fully pay off the amount you owe us by the end of your mortgage.

- **If your offer says 'Interest only'**

  This means that your **monthly payments** will only cover the interest on your loan. We work out the interest we expect to charge each year, and divide this into 12 equal payments. At the end of your mortgage term, you will then need to pay the rest of the money you owe us – the capital sum.

How we calculate monthly payments

Interest accrues daily, and will be payable monthly through your **monthly payments** – partly in advance, and partly in arrears (depending on the **payment date**).

The first **monthly payment** will include interest from the date of the advance up to the date on which the first **monthly payment** is due.

When we calculate the **monthly payments**, we treat each **month** as one 12th of a year, and each day as one 365th of a year (including any leap year).

Paying off what you owe us

We'll agree a **payment date** with you, and each **month** your payment will be made by direct debit. Or, we may agree on another method of payment with you. The timing of when the payment is made is important. Please keep this in mind, and make sure you pay on time.

We will apply your payments in a certain way:

- firstly, towards the **monthly payment** due in the current **month**
- next, towards the balance of any **monthly payments** due, for any previous **month** and which you still owe us
- next, towards any **fees** and **costs** added to the **Advance** during the year, and which you still owe us
- finally, towards any other outstanding amount(s) you owe us.

Your monthly payments may vary, to take into account any changes to:

- your interest rate
- the amount of money you owe us
- your repayment type
- and your mortgage term.

We'll let you know in good time if your **monthly payments** will change.

Paying off arrears

If you have arrears, any payment we receive from you will reduce them. However, if your monthly payment is used to reduce your arrears, you will still need to pay the amount due in the current **month** to avoid further arrears. This means making a payment in addition to your regular monthly payment.

If you break the conditions of the Offer of Advance or the mortgage

We will expect you to put this right (if possible) within 21 days of receiving notice from us. Otherwise, if your mortgage is interest-only, we may take the step of converting it to a capital and interest repayment mortgage, and change your **monthly payments**.

5. Interest rates

When we refer to your interest rate, we mean the **current rate** and any rate you'll need to pay in the future. You can check your **Offer of Advance** to see which rates you're due to pay, and from when.

We also publish our interest rates on our website. This is updated regularly, so it's a good place to find the latest rates.

Interest rates can be:

Discount	A variable rate, where the rate is discounted against our Standard Variable Rate (SVR) for a set period of time, typically 2, 3 or 5 years. The interest rate can change at any time and tends to be affected by changes to external rates, such as the Bank of England base rate.
Fixed	A fixed rate, where the interest rate does not change for a set period of time, typically 2, 3 or 5 years.
Standard Variable Rate (SVR)	Our standard variable rate is linked to the Bank of England base rate. The interest rate will vary in line with changes to that base rate, and can change at any time.

Fixed rate of interest

Where we've agreed a fixed rate of interest for any period in your **Offer of Advance**, we won't vary the rate without your agreement – unless there's a change in the way the property is used or occupied, which increases the risk of lending to you.

An example would be where you let the property. Any increase in interest will be in proportion to the increase in the risk of us lending to you.

Variable interest rates

Where we have agreed a rate of interest which is linked to, or tracks a variable reference rate set by an independent body (for example, the Bank of England base rate) the interest rate will vary in line with changes to that base rate.

The exact changes will be set out in the **Offer of Advance**. If the base rate ceases to exist, or is no longer available, for the purposes of calculating the interest rate we may select another independent reference rate to replace it.

6. How we charge interest

Your **Offer of Advance** will confirm the interest rate that will apply until you've repaid all the money you owe us. The **Offer of Advance** will also specify how we'll charge interest, and the way you pay it.

Annual Interest Method

You will pay interest in each year:

- on the amount of the **whole debt** outstanding on the last day of the previous year; and
- on any sum that we advance to you, or that you owe to us during the year, from the date it is advanced or you owe it.

We will add interest to your account provisionally on the first day of each year, and on any other day on which any sum is advanced or becomes owing.

Monthly Interest Method

You will pay interest in each **month**:

- on the amount of the **whole debt** outstanding on the last day of the previous **month**; and
- on any sum that we advance to you, or you owe to us during the **month**, from the date on which it is advanced or you owe it.

We will add this interest to your account on the first day of each **month**, and on any other day on which any sum is advanced or becomes owing.

Daily Interest Method

As with the Monthly Interest Method, you will pay interest in each **month**:

- on the amount of the **whole debt** outstanding on the last day of the preceding **month**; and
- on any sum that we advance to you, or you owe to us during the **month**, from the date on which it is advanced or you owe it.

We will add this interest to your account on the first day of each **month**, and on any other day on which any sum is advanced or that you owe.

Payments which are credited to your account will immediately reduce the balance on which interest is charged, and will receive an interest credit for the days remaining to the end of that **month**.

Unpaid interest

Where interest is payable on unpaid interest, i.e. interest which is due but not yet paid, this will be charged at the same interest rate as your **current rate**.

Changing the way we calculate interest

We may change the way we calculate interest from time to time.

We may also change your Annual Interest Method of payment to the Monthly Interest Method or to the Daily Interest Method or, where applicable, change your Monthly Interest Method of payment to the Daily Interest Method.

We will give you notice before we do this, and will only make the change:

- if it does not result in any significant disadvantage to you; or
- to accommodate changes in technology.

Please note

You'll pay interest on the sums described above at the **current rate** both before and, if allowed by law, after a court makes an order for you to pay money to us.

7. Changes to interest rates

Reducing the interest rate

We can reduce the interest rate at any time.

Increasing the interest rate

We may increase the interest rate for any of the following reasons:

- to reflect changes in the Bank of England base rate, or other market rates
- to help us provide a competitive rate for our members or the providers of funds to us (while respecting the needs of our borrowers), in the interests of our business as a whole
- to manage margins between the interest rates paid to our members or the providers of funds to us (while respecting our borrowers), in the interests of our business as a whole
- to reflect any change in the cost of operating our mortgage business
- if we need to maintain our financial strength in the interests of all our members
- to enable us to harmonise, in a reasonable manner, the interest rates being paid by our borrowers following any acquisition or transfer of mortgages or any takeover of, or merger with, another mortgage provider
- to reflect changes in the law or the interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice we want to comply with.

Any increase we make in the interest rate will be proportionate to the reason for increasing it.

Telling you about any changes

We'll inform you of any variation to the interest rates, the way we calculate interest, or the way you pay interest. If your rate changes, we'll let you know about the change before your next monthly payment. At least once a year we will also notify you of the current interest rate, and the rate or rates that have applied during that year.

Please note

If a member breaches the terms of their **Offer of Advance** in a significant way, we reserve the right to change any incentivised rates to the **Society's** current SVR rate.

We would consider changing your interest rate to our SVR if you failed to:

- keep up with your mortgage payments
- keep to arrangements made to repay the **whole debt** at the end of an interest-only mortgage
- maintain the property in a good state of repair (see Condition 11)

- insure the property (see Condition 10); or
- obtain our consent to letting the property (see Condition 12)

We'll advise you of this change as soon as we can before the change is to take effect and the reason for the change.

8. Repaying your mortgage balance

When we say 'redeem' we mean to pay off the mortgage on **your property** in full. You can only redeem the mortgage if you redeem every other mortgage or charge you have with us.

You may redeem the mortgage at any time by paying all the money you owe us, in full. This includes any early repayment charges that may apply, and any **fees** associated with redeeming the mortgage and the discharge and release of our security. Any charges that will apply are set out in the **Offer of Advance**.

You may also make payments in advance.

Once your mortgage is paid off

When the **whole debt**, and any other money you owe us under the mortgage, has been paid to us in full, we will discharge and release the security we hold from you. This is normally at the request of your solicitor, and they may charge a fee for this work. This includes the discharge of the mortgage.

Please note

If we calculate the amount needed to redeem the mortgage incorrectly and we receive that incorrect amount, you will still have to pay the difference between the amount paid and the amount you should have paid.

However, unless you knew or should reasonably have known of the mistake, we may not expect you to pay:

- where you have acted to your detriment after relying on our incorrect calculation; or
- unless we make a claim within 3 **months** of receiving the incorrect amount.

9. Fees, costs and charges you may have to pay

Documents and services

We may charge a fee if you ask us to provide a document or service in connection with the mortgage – for yourself, or anyone else.

Examples of where we may charge a fee:

- supplying or copying deeds or documents to you, or anyone acting for you;
- discharging the mortgage;
- releasing the property or the property rights from our security;
- releasing any title deeds;
- processing your application for any **Advance** and for any change in the terms of the **Offer of Advance**; or
- giving you any assistance or information in connection with the property, the **Offer of Advance** or the mortgage.

Other services and activities

Where we incur a cost to protect our security, or if you fail to meet an obligation of the **Offer of Advance** or the mortgage, you must pay us all reasonable **costs** which may result.

Where we can pre-estimate our expenses, we will set this out in our tariff of costs and the cost will be limited to this amount. Otherwise, the cost will be unlimited in amount.

Examples of activities we may charge for:

- any legal proceedings relating to the mortgage (this applies whether or not you are a party to the proceedings);
- exercising any of the rights or powers given to us by the **1970 Act**, any other statute or these **Conditions**;
- recovering any of the **whole debt**;
- protecting or preserving our security; or
- insuring the property.

Telling you about a fee or a cost

We will tell you when you have incurred a fee or a cost, and the amount of the fee or the cost.

We'll also let you know when payment is due for the fee or cost. If you do not pay by this date, the fee or cost will be added to the **Advance** and interest may be charged on it at the **Applicable Rate**.

Changing fees or costs

We may change **fees** or **costs** for any of the following reasons:

- to respond to changes in the cost of providing the service or doing the work we charge for
- to respond to changes in technology or banking practice
- to respond to changes in our activities or to carry out new activities
- to respond to changes in the law or the interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice which has the aim of consumer protection
- to enable us to balance the **fees** and **costs** concerned following any acquisition or transfer of mortgages, or any takeover or merger with another mortgage provider
- to correct an error
- to maintain our financial strength in the interests of all our members.

The change might be a reduction or removal of a fee or cost we've previously told you about. Where we introduce a new fee or increase an existing fee, we will make sure that it is proportionate to the reason for introducing or changing them.

Where we make a change:

- We will write to you before the change takes effect if it is new or an increased fee or cost.
- We will write to you either before or soon after if it is a reduction or a removal of a fee or cost.

Where we add to or vary a cost, we will include this in our tariff of costs. We will send you a copy of our current tariff of costs at least once a year. Our tariff of costs is also available in our Relationship Centres and on our website.

10. Insuring your property

What you need to do

You must insure **your property**, and keep it insured, from the date stated in the **Offer of Advance**, or from the date on which we pay you the **Advance** – whichever is the earliest – until the **whole debt** is repaid.

You must insure against fire and such other risks as we reasonably require and tell you from time to time, to protect our security.

The amount insured must cover the cost of rebuilding the property, including clearing the site and paying all **fees** and expenses. We will tell you the minimum amount of cover we initially require. This amount must be increased each year in line with the Royal Institution of Chartered Surveyors annual index of house building costs (or another similar index we may allow). However, you must decide if these amounts, and the risks covered, are adequate for your own purposes.

If the property forms part of a larger building (for example, an apartment within a tenement or block of flats) and it is a title condition that the property is to be insured together with other properties on a common insurance policy, we may accept that this insurance meets your obligations.

Please note

If **your property** is not insured, we may arrange insurance to protect our security. If we do this, we'll pass on the cost to you.

If at any time we are not satisfied that adequate insurance is in place, we may arrange suitable insurance for the property. If we do this, we'll pass on the cost to you.

The following provisions will then apply:

- You must decide if the amounts, and the risks covered, are adequate for your purposes.
- You must not effect or maintain any other insurance for the property without our consent.
- We will add the cost of the insurance we arrange to the **Advance**, and interest will be charged on it at the **Applicable Rate** until it is paid. We may increase the **monthly payments** to recover this cost.

If you make changes to the mortgaged property that result in an increase in value, you must increase the buildings insurance appropriately.

We will have full power on your behalf to deal with the insurers on all matters arising under the policy, including the power to settle any claim and receive any insurance monies.

If a claim is made on the buildings insurance, any money you receive from the insurer must be used to reinstate **your property** or reduce or pay off the money you owe us. You will make good any shortfall from your own funds.

You must hold any money paid to you by the insurer in trust for us. This means that you will hold the money on our behalf. If we ask you for it, you must pay it to us immediately. We will then use the money to reinstate the property or (if that is not practical) to reduce or pay off the money you owe us.

11. Looking after your property

You're responsible for looking after **your property**, and taking good care of it. You will also need to comply with any title conditions, restrictions or obligations (if any) that affect **your property**.

You'll need to:

- complete to our satisfaction any building which is at any time in the course of being built on the property.
- make sure you put and keep the property in good and substantial repair and condition, and in good decorative order.
- pay on time all local or national government or other rates, taxes, rents, outgoings, service charges and other charges and impositions payable in respect of the property, keep us free of the responsibility for these payments, and produce receipts for each of these payments if we ask.
- obtain our prior written consent to make any structural or material changes to the property, or allow any change in use which would require planning permission or approval under any building regulations.
- comply in all respects with all statutes and subordinate legislation (including those relating to planning and environmental matters) which apply to the property and keep us free of the responsibility for any and all breaches of the same.
- observe and perform all the requirements and regulations of the local and other authorities in respect of the property.
- give us any information about the property which we may reasonably ask for.
- let us know within seven days of you receiving any notices concerning the property (for example, a statutory repair notice). And unless we instruct you to the contrary, without delay you must take all reasonable and necessary steps to comply with the notice.
- obtain our prior written consent to apply for any improvement or similar grant in respect of the property.
- at our request, sign and deliver any document or take any action we may need for perfecting or confirming the validity of any Security.
- obtain our prior written consent to create, or agree to create, a subsequent security over the property or any part of the property.

Environment issues

1. We are not entitled to require any works to be carried out, or to carry out any works ourselves, where these may result in the issue of an **Environmental Notice** or to comply with an **Environmental Notice**.
2. You will immediately notify us if you become aware of any circumstances which may result in the issue of an **Environmental Notice**, or if an **Environmental Notice** is issued. In either case, you will provide us with written details of the steps you intend to take to remedy the circumstances or comply with the **Environmental Notice**.
3. You will allow us to inspect the property at any reasonable time (and, where possible, with reasonable prior notice). This includes, where necessary, taking samples or making trial pits or boreholes.
4. You will not create any circumstances which could lead to the issue of an **Environmental Notice**.

If you fail to comply with these conditions, the **whole debt** will become repayable at once in full.

12. Renting out your property

You must get our written permission to grant or renew any lease or tenancy of **your property**, or licence to occupy the property.

This includes short term holiday lets (for the whole or part of the property), or any shared possession.

We will not unreasonably withhold permission, but in giving it we may impose fair conditions. These could include a change in the **current rate** to the **Society's** prevailing standard variable mortgage rate, plus a loading of up to 1% for the duration of the letting or occupation. This loading will reflect the increase in the risk of our lending to you.

13. Defaulting on your mortgage

Being in default means you have failed to keep to our agreement, or a significant event has taken place which entitles us to take steps to end the mortgage. If this happens, we can demand that you pay back the **whole debt** immediately.

For example, if you miss one payment this is classed as shortfall. If you miss two or more payments you will be in default.

14. What happens if you default

If you default on your mortgage, and you fail to pay the **whole debt** to us on demand, we are entitled to take the following steps.

Sell the property

We have a statutory power of sale, which allows us to sell the property whether or not we have taken possession of it. Our right to sell **your property** is free from restrictions. We are allowed to sell the property, or any part of it, for a price payable with or without interest by instalments and we will decide on the term.

If we sell the property, and the net proceeds of sale are not enough to pay off the **whole debt**, you will immediately pay us the shortfall with interest at the **current rate** until payment.

Manage lettings

We can also use the rights we have to grant a new lease, tenancy or licence of the property. In addition, we can collect the rent being paid under an existing lease, tenancy or licence. We can also agree to the lease, tenancy or licence being extended or given up, or to changing the terms. We will use any money we receive from the letting to reduce or pay off the money you owe us.

Repossession

We have the right to take possession of the property, and the **whole debt** will become immediately due:

- **if you have failed to pay any two monthly payments**, or other payment due under the mortgage.
- **if you have breached the terms of your mortgage** where this does not require you to pay money. You will not be in default if you are able to remedy the breach within 14 days.
- **if you die**.
- **if you become apparently insolvent** according to Section 16 of the Bankruptcy (Scotland) Act 2016.
- **if a petition is presented for your sequestration**, or we consider that such a petition is likely.
- **if you permit any diligence to be done** or a court decree to be levied on your goods.
- **if there is a decree for payment against you** which remains unsatisfied for more than 14 days.
- **if you suffer from a mental disorder** as defined in the Mental Health (Scotland) Act 2005, or you otherwise become incapable of managing your affairs.
- **if the property or any part of it is compulsorily purchased, acquired or requisitioned**.
- where the borrower is or includes a company, **if a receiver is appointed to the property or to any of the borrower's other property or assets**.
- where the borrower is or includes a company, **if a petition is presented for a winding up order or an administration order**. Or, if a meeting is convened to consider a resolution for a winding up (unless the **Society** has given written consent) or the borrower enters into an agreement with a creditor.
- **if you surrender possession of the property to the Society**.
- **if the borrower pulls down, wastes, destroys or in any way lowers the value of the property, or abandons it**.

Please note

If the **whole debt** becomes due and payable by you, and the value of the property is less than the **whole debt**, then we may request that you provide further security to us for repayment of the **whole debt**. We are entitled to repossess the property if you fail to comply with this request.

Protecting your property

We can take any steps that are needed to protect the property or the mortgage, including maintaining or putting in place insurance cover, paying any unpaid rent, a service charge or other sum. If you fail to carry out any of your obligations on time, under the **Standard Security** or the **Conditions**, we can take any steps we feel are appropriate to put things right.

Items left behind on your property

If we take possession of **your property**, as your agent we can also remove, store or sell any goods or livestock on the property on your behalf. If you leave items behind, you will have 14 days to remove them from the property after being given notice by us. We are not responsible for any loss or damage caused to items you have failed to remove.

15. Entering and repairing your property

During the term of the mortgage, with reasonable notice you will allow us and our agents to enter and view the property.

You will need to carry out any repairs or improvements needed to the property within the reasonable timescale we set you.

If you do not carry out any repairs within the timescale we set you, or breach any other condition that relates to the carrying out of any work on the property, we can arrange for the work to be done and recover the cost from you immediately.

If you fail to settle any claim in respect of the property (for example by a landlord or management company) we can settle the claim if we think it reasonable to do so. This will allow us to protect our security or maintain its value.

Taking these steps does not make us liable as heritable creditor in possession.

16. Your property rights

When we refer to 'property rights', we mean the rights you have as the owner of **your property**.

These include:

- any right to acquire further or additional shares or interests in the property which are included in, or otherwise granted to you in, a shared ownership agreement (or any document associated with such an agreement).
- any right to receive money which becomes payable in respect of the property or as a result of any damage to or depreciation of the property, including money payable for mining subsidence or compulsory purchase.
- any guarantees or insurances relating to all or any part of the property, including guarantees for work done to the property.
- any additional security for money owing from you to us.
- any other benefit, or right of any kind, relating to the property or its construction, or the title to the property.

Property right as further security

As further security for the mortgage, you assign the property rights to us and agree that we have full power to exercise all the property rights as if we were absolutely and beneficially entitled to them.

When you need to contact us

You must inform us if you receive money relating to any property rights. You will need to hold this on our behalf until you have paid it to us. We will use any proceeds from the sale or disposal of the property rights, after deducting our **costs**, to reduce the **whole debt**. We will then pay you (or any other entitled person) any amount that is left over.

17. Acting on your behalf

When you take out the mortgage you appoint us to be your attorney. We can do anything needed to protect our rights under the mortgage, in your name and on your behalf.

This includes signing deeds and documents, entering into agreements and registering any documents on your behalf. We can also exchange any information with any other person who has an interest in the property.

As your attorney, we may also, in your name and on your behalf, exercise any rights or powers which you have in respect of the property or the property rights. We may also do anything else which we think is necessary or desirable to protect our security under the mortgage. In addition, we may exercise any powers contained in the mortgage or to preserve the value of the property or the property rights.

Where there is more than one of you, our powers as your attorney will not arise until:

- one of the events specified in Condition 14 has occurred; and
- we have given you notice that our powers have arisen.

Our powers will then continue for a period of twelve **months** from the date of that notice.

Our appointment as your attorney under this condition cannot be changed or cancelled by you during the term of the mortgage.

18. Transferring your mortgage to someone else

We may, at any time, transfer some or all of our rights under the mortgage to another person. For example, we could sell your mortgage to someone else.

If this happens, it won't reduce your rights or your obligations under the mortgage.

We can share information we hold about you relating to the mortgage with the person we're transferring our rights to. For example, as part of any restructuring or sale of our business or assets we can share details of your mortgage with buyers and their professional representatives. If a transfer takes place, your membership of the **Society** and your rights as a borrowing member may end.

19. Changes to these Conditions

In addition to our right to make changes to your interest rates and our **fees**, we may also change, add to or remove any of these **Conditions**. We may do this:

- to reflect any legal or regulatory changes
- to take account of any decision by a court or ombudsman
- to make the **Conditions** clearer and easier to understand
- where the change or changes would be to your advantage

We'll make sure any change is proportionate to the reason for making it and we'll give you reasonable notice in writing before the changes take effect. We will send you either a summary of the changes, or a copy of the new **Conditions**.

Each of the provisions of the mortgage and these **Conditions** is distinct and separate from the others. This means that if a change is made to one provision or Condition, this will not necessarily affect the legality, validity or enforceability of the others.

If we give you forbearance or delay enforcing these **Conditions**, this will not affect our enforcement rights. If we decide to waive any breach of these **Conditions**, this will not mean that we waive any further or continuing breach.

20. Communicating with you

If we need to get in touch, we'll contact you by post, either to the property or the last known address we have for you.

Where we are writing with a demand or notice, we will consider it served on you 48 hours after posting.

21. Governing Law

The mortgage and the **Conditions** will be governed by Scottish law.

The powers conferred on us under the mortgage and the **Conditions** are without prejudice to our power under common law or statute and may be exercised as often as we think appropriate.

22. Standard Securities

Where the **whole debt** is secured by a **Standard Security** over heritable property (land and buildings) in Scotland, the Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended (the '**1970 Act**') shall apply, subject to the variations set out in these **Conditions**.

Standard Conditions

These are the Standard Conditions contained in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended, referred to in the Scottish Building Society Mortgage Conditions 2024.

The following table sets out the Standard Conditions and when they have been varied by the **Society's Conditions**.

Standard Conditions	Where is this dealt with in these Conditions?
1 Maintenance and Repair It shall be an obligation on the debtor – (a) to maintain the security subjects in good and sufficient repair to the reasonable satisfaction of the creditor; (b) to permit, after seven clear days notice in writing, the creditor or his agent to enter upon the security subjects at all reasonable times to examine the condition thereof; (c) to make all necessary repairs and make good all defects in pursuance of his obligation under head (a) of this condition within such reasonable period as the creditor may require by notice in writing.	Condition 11 and 15 apply in place of Standard Condition 1
2 Completion of buildings etc and prohibition of alterations etc. It shall be an obligation on the debtor – (a) to complete, as soon as may be practicable, any unfinished buildings and works forming part of the security subjects to the reasonable satisfaction of the creditor; (b) not to demolish, alter or add to any buildings or works forming part of the security subjects, except in accordance with the terms of a prior written consent of the creditor and in compliance with any consent, licence or approval required by law; (c) to exhibit to the creditor at his request evidence of that consent, licence or approval.	Condition 11 applies and Standard Condition 2 applies
3 Observance of conditions in title, payment of duties, charges, etc., and general compliance with requirements of law relating to security subjects It shall be an obligation on the debtor – (a) to observe any condition or perform any obligation in respect of the security subjects lawfully binding on him in relation to the security subjects; (b) to make due and punctual payment of any ground burden, teind, stipend, or standard charge, and any rates, taxes and other public burdens, and any other payments exigible in respect of the security subjects; (c) to comply with any requirement imposed upon him in relation to the security subjects by virtue of any enactment.	Condition 11 applies in place of Standard Condition 3

Standard Conditions	Where is this dealt with in these Conditions?
4 Planning notices, etc. It shall be an obligation on the debtor – (a) where he has received any notice or order, issued or made by virtue of the Town and Country Planning (Scotland) Acts 1947 to 1969 or any amendment thereof, or any proposal so made for the making or issuing of any such notice or order, or any other notice or document affecting or likely to affect the security subjects, to give to the creditor, within fourteen days of the receipt of that notice, order or proposal, full particulars thereof; (b) to take, as soon as practicable, all reasonable or necessary steps to comply with such a notice or order or, as the case may be, duly to object thereto; (c) in the event of the creditor so requiring, to object or to join with the creditor in objecting to any such notice or order or in making representations against any proposal therefor.	Standard Condition 4 applies
5 Insurance It shall be an obligation on the debtor – (a) to insure the security subjects or, at the option of the creditor, to permit the creditor to insure the security subjects in the names of the creditor and the debtor to the extent of the market value thereof against the risk of fire and such other risks as the creditor may reasonably require; (b) to deposit any policy of insurance effected by the debtor for the aforesaid purpose with the creditor; (c) to pay any premium due in respect of any such policy, and, where the creditor so requests, to exhibit a receipt therefor not later than the fourteenth day after the renewal date of the policy; (d) to intimate to the creditor, within fourteen days of the occurrence, any occurrence; (e) which may give rise to a claim under the policy, and to authorise the creditor to negotiate the settlement of the claim; (f) without prejudice to any obligation to the contrary enforceable against him, to comply with any reasonable requirement of the creditor as to the application of any sum received in respect of such a claim; (g) to refrain from any act or omission which would invalidate the policy.	Condition 10 applies in place of Standard Condition 5
6 Restriction on letting It shall be an obligation on the debtor not to let, or agree to let, the security subjects, or any part thereof, without the prior consent in writing of the creditor, and "to let" in this condition includes to sub-let.	Condition 12 applies in place of Standard Condition 6

Standard Conditions	Where is this dealt with in these Conditions?
7 General power of creditor to perform obligations etc, on failure of debtor and power to charge debtor (1) The creditor shall be entitled to perform any obligation imposed by the standard conditions on the debtor, which the debtor has failed to perform. (2) Where it is necessary for the performance of any obligation as aforesaid, the creditor may, after giving seven clear days notice in writing to the debtor, enter upon the security subjects at all reasonable times. (3) All expenses and charges (including any interest thereon), reasonably incurred by the creditor in the exercise of a right conferred by this condition, shall be recoverable from the debtor and shall be deemed to be secured by the security subjects under the standard security, and the rate of any such interest shall be the rate in force at the relevant time in respect of advances secured by the security, or, where no such rate is prescribed, shall be the bank rate in force at the relevant time.	Condition 15 applies in place of Standard Condition 7
8 Calling up The creditor shall be entitled, subject to the terms of the security and to any requirement of law, to call-up a standard security in the manner prescribed by section 19 of the 1970 Act.	Standard Condition 8 applies
9 Default (1) The debtor shall be held to be in default in any of the following circumstances, that is to say: (a) where a calling-up notice in respect of the security has been served and has not been complied with; (b) where there has been a failure to comply with any other requirement arising out of the security; (c) where the proprietor of the security subjects has become insolvent. (2) For the purposes of this condition, the proprietor shall be taken to be insolvent if: (a) he has become notour bankrupt, or he has executed a trust deed for behoof of, or has made a composition contract or arrangement with, his creditors; (b) he has died and a judicial factor has been appointed under Section 11A of the Judicial Factors (Scotland) Act 1889 to divide his insolvent estate among his creditors or his estate falls to be administered in accordance with an order under Section 421 of the Insolvency Act 1986.	Conditions 13 and 14 apply and Standard Condition 9 applies

Standard Conditions	Where is this dealt with in these Conditions?
(c) where the proprietor is a company, a winding-up order has been made with respect to it, or a resolution for voluntary winding-up (other than a members' voluntary winding-up) has been passed with respect to it, or a receiver or manager of its undertaking has been duly appointed, or possession has been taken, by or on behalf of the holders of any debentures secured by a floating charge, of any property of the company comprised in or subject to the charge.	Conditions 13 and 14 apply and Standard Condition 9 applies
10 Rights of creditor on default (1) Where the debtor is in default, the creditor may, without prejudice to his exercising any other remedy arising from the contract to which the standard security relates, exercise, in accordance with the provisions of Part II of the 1970 Act and of any other enactment applying to standard securities, such of the remedies specified in the following subparagraphs of this standard condition as he may consider appropriate. (2) He may proceed to sell the security subjects or any part thereof. (3) He may enter into possession of the security subjects and may receive or recover the rents of those subjects or any part thereof. (4) Where he has entered into possession as aforesaid, he may let the security subjects or any part thereof. (5) Where he has entered into possession as aforesaid there shall be transferred to him all the rights of the debtor in relation to the granting of leases or rights of occupancy over the security subjects and to the management and maintenance of those subjects. (6) He may effect all such repairs and may make good such defects as are necessary to maintain the security subjects in good and sufficient repair, and may effect such reconstruction, alteration and improvement on the subjects as would be expected of a prudent proprietor to maintain the market value of the subjects, and for the aforesaid purposes may enter on the subjects at all reasonable times. (7) He may apply to the court for a decree of foreclosure.	Condition 14 applies and Standard Condition 10 applies
11 Exercise of right of redemption (1) The debtor shall be entitled to exercise his right (if any) to redeem the security on giving notice of his intention so to do, being a notice in writing (hereinafter referred to as a "notice of redemption"). (2) Nothing in the provisions of the 1970 Act shall preclude a creditor from waiving the necessity for a notice of redemption, or from agreeing to a period of notice of less than that to which he is entitled. (3) (a) A notice of redemption may be delivered to the creditor or sent by registered post or recorded delivery to him at his last known address, and an acknowledgment signed by the creditor or his agent or a certificate of postage by the person giving the notice accompanied by the postal receipt shall be sufficient evidence of such notice having been given.	This is dealt with in your Offer of Advance and Condition 8 applies and Standard Condition 11 applies

Standard Conditions	Where is this dealt with in these Conditions?
(b) If the address of the creditor is not known, or if the packet containing the notice of redemption is returned to the sender with intimation that it could not be delivered, a notice of redemption may be sent to the Extractor of the Court of Session and an acknowledgment of receipt by him shall be sufficient evidence of such notice having been given. (c) A notice of redemption sent by post shall be held to have been given on the day next after the day of posting. (4) When a notice of redemption states that a specified amount will be repaid, and it is subsequently ascertained that the whole amount due to be repaid is more or less than the amount specified in the notice, the notice shall nevertheless be effective as a notice of repayment of the amount due as subsequently ascertained. (5) Where the debtor has exercised a right to redeem, and has made payment of the whole amount due, or has performed the whole obligations of the debtor under the contract to which the security relates, the creditor shall grant a discharge in the terms prescribed in section 17 of the 1970 Act.	This is dealt with in your Offer of Advance and Condition 8 applies and Standard Condition 11 applies
12 The debtor shall be personally liable to the creditor for the whole expenses of the preparation and execution of the standard security and any variation, restriction and discharge thereof and, where any of those deeds are registered or recorded, the registration or recording thereof, and all expenses reasonably incurred by the creditor in calling-up the security and realising or attempting to realise the security subjects, or any part thereof, and exercising any other powers conferred upon him by the security.	Condition 9 applies in place of Standard Condition 12
Interpretation In this Schedule, where the debtor is not the proprietor of the security subjects, "debtor" means "proprietor", except (d) in standard conditions 9 (1), 10 (1) and 12 and (e) in standard condition 11, where "debtor" includes the proprietor.	

IN WITNESS WHEREOF: these presents consisting of this and the 22 preceding pages are sealed with our Common Seal and are subscribed for and on our behalf by Mark Nolan, Society Secretary, Authorised Signatory, by authority of our Board of Directors at Edinburgh on the 13th day of February 2024 in the presence of Derek Johnston, Chief Risk Officer, both of SBS House, 193 Dalry Road, Edinburgh, EH11 2EF.

Getting in touch

If you need to get in touch with us about your mortgage, we'll be more than happy to help.

- Pop in to your nearest Relationship Centre to speak to a colleague.
- Alternatively, you can call us on **0333 207 4007** (our lines are open 9am–5pm Monday–Friday and from 10am on Wednesday).
- You can also find information on our website at **www.scottishbs.co.uk/mortgages**

SCOTTISH BUILDING SOCIETY

Head Office: SBS House, 193 Dalry Road, Edinburgh, EH11 2EF Tel: 0333 207 4007 Website: www.scottishbs.co.uk

Scottish Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Register No 206034).

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