

**Chorley
Building
Society**

TRUSTED SINCE 1859



THE CHORLEY AND DISTRICT BUILDING SOCIETY

Mortgage Conditions 2023 (England And Wales)



CHORLEY AND DISTRICT BUILDING SOCIETY

RESIDENTIAL MORTGAGE CONDITIONS 2023

The paragraphs headed “Introduction”, “Summary of these conditions” and “Membership Rights” below are included for information purposes only and do not form part of the Mortgage Conditions themselves.

INTRODUCTION

This booklet sets out the conditions that you accept when you sign your mortgage deed. It should be read in conjunction with your mortgage offer as together they make up our agreement with you. It is important that you read these Conditions carefully as they set out the rights and responsibilities of both you and us.

If you have any queries about these conditions, please ask us or your solicitor or conveyancer.

You should keep this booklet in a safe place in case you want to check the conditions that apply to your mortgage.

CONDITION AND SUMMARY
<p>1. Meanings of particular words and phrases Sets out the meanings of certain words and phrases and other things to bear in mind when you read the Conditions</p>
<p>2. Membership Provides further information about membership of our Society which will apply when you accept our mortgage offer if you are not already a member through other financial products you have with us</p>
<p>3. The security Deals with our rights or 'security' over your property and explains the nature of the security you give us to protect us in case you do not keep to the terms of the mortgage.</p>
<p>4. Repayment Sets out your repayment obligations, including the need to make monthly payments and to pay off the mortgage by the end of the mortgage term.</p>
<p>5 & 6. Interest & Variation of the rate of Interest Explains how we calculate interest and when and how we can change the rate of interest applying to your loan.</p>
<p>7. Repayment strategy for interest-only (or part interest-only) Sets out your obligations to maintain a suitable repayment strategy where you have an interest-only (or part interest only) loan.</p>
<p>8. Redemption Gives you the right to pay off the mortgage, although you should note that early repayment charges may apply – please check your mortgage offer or ask us if this is the case.</p>
<p>9. Your obligations Sets out the things you must, and must not, do in relation to the property, to protect its condition and value and our security.</p>
<p>10. Insurance Deals with your obligation to insure the property. The property must be adequately insured at all times.</p>
<p>11. Fees and Costs Deals with the fees and costs you must pay, and when and how we can change our fees.</p>

12. Our power to remedy

Gives us power to take action to put things right if you do not carry out your obligations under the mortgage.

13. Events on which the Total Debt becomes payable

Sets out the circumstances in which we can require you to repay the mortgage immediately: for example, if you do not keep up with your payments.

14. Our remedies

Describes the remedies we have if we need to enforce our security: for example, we can repossess the property and sell it or appoint a receiver.

15. Furniture, etc.

Gives us power to deal with belongings left in the property.

16. Rights relating to the Property and powers of attorney

Deals with rights in respect of the property and the power of attorney which you give us as security allowing us to do things and sign documents in your name.

17. Mistakes

Deals with the situation if our security is released by mistake.

18. Transfer of the Mortgage

Gives us power to transfer the mortgage.

19. Notices

Tells you how we will notify of things under the mortgage.

20. Changes to these Conditions

21. General

22. Which law applies

23. Which language

24. Guarantors

Describes the obligations of any guarantor for your mortgage.

25. Life Policies

Has details of our requirements in respect of any life policy that is security for your mortgage.

MORTGAGE CONDITIONS 2023

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In these **Conditions**, some words and phrases have particular meanings. These words and phrases appear in bold print and start with a capital letter and their meanings are set out below.

Borrower means the person or persons named as the borrower in the **Mortgage Deed** and includes their personal representatives. If two or more people are the **Borrower**, then **Borrower** means all of them together and each one of them separately. *It is important to note that this means that each of you is responsible on your own for the whole of the **Total Debt**, and not just a part or proportion of it.*

Completion Date means the date on which we release funds for the **Loan**; which is the day we post a cheque, or make an electronic transfer of money, to you or your solicitor or conveyancer or to any other person on your behalf, or where the **Loan** is used to refinance an existing loan you have with us, we make a transfer in our records.

Conditions means these mortgage conditions, any special or additional conditions detailed in a **Mortgage Offer** and a **Condition** means any one of them.

Costs means all costs and expenses we incur, as set out in **Condition 11.8**.

Fee means any fee we charge under **Condition 11.1**.

Guarantor is any person who has agreed to guarantee your obligations under the **Mortgage**, and includes the **Guarantor's** personal representatives.

Interest means interest at the rate that applies to your **Mortgage** as set out in the **Mortgage Offer**. The rate of **Interest** may change as detailed in **Condition 6**.

LPA means the Law of Property Act 1925.

Loan means any money we lend to you which you and we agree is to be secured by the **Mortgage Deed**. It includes further loans made after the date of the original loan which you and we agree are to be secured by the **Mortgage Deed**. By making any **Loan**, we do not guarantee that either the price or condition of the **Property** is reasonable. You must satisfy yourself on these points.

Monthly Payment means the amount which you must pay each calendar month on the **Payment Day**. Your initial **Monthly Payment** will be shown on your **Mortgage Offer**, but we may change the **Monthly Payment** as set out in **Condition 4.5**.

Mortgage means the entire legal agreement under which we agree to make a **Loan** to you and includes the **Mortgage Deed**, these **Conditions**, and your **Mortgage Offer**. If we have agreed to make more than one **Loan** to you, the **Mortgage** includes the terms and conditions of each **Mortgage Offer**.

Mortgage Deed means any deed or legal charge that you sign to secure your **Loan** and which says that these **Conditions** are incorporated in it.

Mortgage Offer means our written offer of a **Loan** to you and any special conditions included in it. Your **Mortgage Offer** may be made up of more than one document.

Mortgage Term means the period of time during which you agree to repay the **Loan** to us as set out in your **Mortgage Offer**.

Other Rights means:-

- (1) any rights in respect of the **Property** which you may become entitled to, including:-
 - (a) compensation or other money received or receivable for damage caused to the **Property** or because it (or any part of it) has reduced in value, or been compulsorily purchased;
 - (b) any agreement, option, right of to be offered the **Property**, guarantee or indemnity relating to the **Property** or its construction, state or condition;
 - (c) any share in or rights of membership in a management company, or tenants' or residents' association;
 - (d) the benefit of any right to obtain the improvement of, or any payment in connection with, any roads, sewers, drains and other services or amenities;
 - (e) any policy providing insurance against title defects or adverse rights; and
- (2) any other benefits which you may have or receive in respect of the **Property**, but not including money or grants payable to you in respect of maintenance or improvement or any money from the insurance which is dealt with in **Condition 10**.

Payment Day means the day in each month your **Monthly Payment** is due to be paid. Unless we tell you otherwise, your **Payment Day** will be the first day of the month (beginning with the month immediately following the date of the **Completion Date**). We will notify you after the **Completion Date** what the **Payment Day** will be if it is not set out in the **Mortgage Offer**. We may change the **Payment Day** under **Condition 4.9** or **4.10**.

Policy Holder means you if you are the holder of any **Life Policy** that insures the life of the Policy Holder and that is to be assigned to, or deposited with, us in connection with the **Mortgage**. It also means any other person holding a **Life Policy** that is to be used in connection with the **Mortgage** and anyone who takes over a **Life Policy** and who is not the original **Policy Holder**.

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

Rules means the rules of the Society in force from time to time.

Tariff means our list of fees and charges that apply to your **Mortgage** as in place from time to time.

Total Debt means the total amount you owe us under the **Mortgage**. It includes all **Loans, Interest, Costs and Fees**.

1.2 In these Conditions:

- 1.2.1 “We”, “us”, “our” and “the Society” refer to Chorley Building Society, any successors who take over some or all of our rights under the **Mortgage** and any other persons legally entitled to the benefit of the **Mortgage**.
- 1.2.2 “You” and “your” refer to the **Borrower** and anyone who takes over your responsibilities for the payment of the **Mortgage**.
- 1.2.3 Any references to an Act of Parliament include any changes made to it and any legislation that replaces it.
- 1.2.4 If you have more than one **Loan**, references to the **Loan** are references to each **Loan** considered separately and references to **Monthly Payments**, the **Mortgage Term** and the **Payment Day** mean the **Monthly Payments**, the **Mortgage Term** and the **Payment Day** which apply to the Loan in question, if they are different.
- 1.2.5 If their terms are not consistent:
 - (a) the **Mortgage Offer** takes priority over the **Mortgage Deed**, these **Conditions** and the **Rules**;
 - (b) the **Mortgage Deed** takes priority over these **Conditions** and the **Rules**;
 - (c) these **Conditions** take priority over the **Rules**.
- 1.2.6 The headings in these **Conditions** are not to be taken into account in interpreting them.
- 1.2.7 When things are referred to in the singular (for example, “notice”), they include the plural (for example, “notices”) and the other way around, unless the context indicates otherwise.

- 2.1 You will automatically become a borrowing member of the Society when the **Mortgage** is completed and you will be bound by our **Rules**.
- 2.2 If there is more than one of you, only the first named applicant in the mortgage application form will have borrowing membership rights under our **Rules**. He or she is known as the representative joint borrower. If you wish to change the person who is the representative joint borrower, you can do so by writing to us. The change will take effect subject to our agreement, our **Rules**, and when the Society's records are changed.
- 2.3 The name provided in the mortgage application form must be in the same form as on any other account held with the Society to ensure that we do not provide duplicate mailings to you. Any previous error or discrepancy should be notified to the Society as soon as possible.
- 2.4 If we transfer the **Mortgage** under **Condition 18** and you cease to be a member, the **Rules** will cease to apply in respect of the **Mortgage**.

- 3.1 You give us certain rights and security over the **Property** to protect us in case you do not keep to the terms of the **Mortgage**.
- 3.2 When you sign the **Mortgage Deed** you give us a continuing security over the **Property**. The **Mortgage Deed** is security for the **Total Debt** and all other monies you owe us under any other agreement from time to time. The **Mortgage Deed** will not be released until the **Total Debt** has been repaid in full.

- 4.1 You must make **Monthly Payments** on or before the **Payment Day** in each month. In any event you must repay the **Total Debt** by the end of the **Mortgage Term** if it has not become repayable earlier under **Condition 13**.
- 4.2 Your **Mortgage Offer** will tell you whether your **Loan** is repayment or interest-only. It may be that one part of the **Loan** is on a repayment basis and the other part is on an interest-only basis.
- 4.3 If your **Loan** (or a part) is on a repayment basis, the **Monthly Payment** will be calculated so as to pay off the **Loan** (or relevant part) and interest and all other amounts you owe us under these **Conditions** by the end of the **Mortgage Term**.
- 4.4 If your **Loan** (or a part) is on an interest-only basis, the **Monthly Payment** will only cover interest. All other amounts you owe us under the **Mortgage** (including the **Loan** itself (or relevant part) and any **Fees** and **Costs** that are added to the **Total Debt**) must be paid separately by the end of the **Mortgage Term**.
- 4.5 **Monthly Payments** may be adjusted up or down to take account of changes in the rate of **Interest**, the amount of the **Total Debt**, the **Mortgage Term**, the **Payment Day**, and any other changes to the terms of the **Mortgage** (including any change from an interest-only basis to repayment basis or vice versa) that we may agree to, or the ending of any particular feature of the **Mortgage** (such as a fixed or discounted interest rate). We will always give you personal notice before any change in the **Monthly Payment** takes place as set in **Condition 19**.
- 4.6 The **Monthly Payment** may be rounded up to the nearest pound.
- 4.7 If we do not recover any item of the **Total Debt** through the **Monthly Payments** (for example if the **Loan** is on an interest-only basis, or if we have not yet changed the **Monthly Payment** to reflect extra **Interest**, **Costs** and **Fees** you have incurred during the **Mortgage Term** by not keeping to your obligations) these must all be repaid at the end of the **Mortgage Term** (or sooner if the **Total Debt** has become repayable earlier under **Condition 13**).
- 4.8 We will use any payments you make to us or we otherwise recover under the **Mortgage** in the following way. First, we will use them towards payment of any arrears of **Monthly Payments**. Any balance will be used towards payment of any **Interest** you owe and any outstanding **Costs** or **Fees**, in such order as we may decide. Any remaining balance after that will be used to reduce the principal amount of the **Loan**.

- 4.9 We may change the **Payment Day** after the first **Payment Day** for any of the following reasons:
- (a) changes in technology or our systems; or
 - (b) because of the technology or systems of anyone we transfer our rights under the Mortgage to under **Condition 18**.

If we do need to make a change, we will give you personal notice under **Condition 19**. You will be given a reasonable amount of time before the change takes effect and this will be at least 30 days.

- 4.10 You can change the **Payment Day** after the first **Payment Day** if we agree. We will act reasonably in considering such a request from you.
- 4.11 We will recalculate the **Interest** charged and the **Monthly Payment** to reflect any change in the **Payment Day**.

- 5.1 You must pay **Interest** on the **Total Debt**. Interest will be calculated on a daily basis, and is payable as part of the **Monthly Payments**. However, each **Monthly Payment** will be calculated on the basis of one-twelfth of a year, and not on the basis of the exact number of days in the particular month.
- 5.2 Interest for the period from the **Completion Date** of any **Loan** to the last day of that month will be paid to us separately. We will tell you the amount when the **Loan** has been released.
- 5.3 If **Interest** due in any month is not paid by the last day of that month, the unpaid **Interest** will become an arrears balance and be charged **Interest** from that day. Interest will continue to accrue until the unpaid interest has been paid.
- 5.4 You will pay more **Interest** if you make your **Monthly Payment** later than the **Payment Day**.
- 5.5 **Interest** will also be charged on **Costs** and **Fees** as set out in **Condition 11**.
- 5.6 In calculating **Interest**, we will only use three decimal places for the percentages.
- 5.7 **Interest** will continue to be charged at the Interest rate:
 - (a) even if we get a court order against you for payment of some or all of the **Total Debt**;
 - (b) if the **Property** is sold and there is a shortfall in the amount required to repay the **Total Debt**; and
 - (c) if the **Mortgage Term** has ended before you have repaid all of the **Total Debt**.

- 6.1 Unless stated otherwise in the **Mortgage Offer**, we can change the **Interest** rate as set out in the following **Conditions**.
- 6.2 We will give you personal notice about a change in the **Interest** rate. If the change is an increase, this will be in reasonable time before the change takes effect.
- 6.3 The **Interest** rate can be reduced without advance notice, but we will give you personal notice of the reduction at the earliest opportunity after it has been made.
- 6.4 We will tell you about any change to the **Monthly Payment** from a change in the **Interest** rate under **Condition** 4.5.
- 6.5 We can also change the rate of **Interest** for any of the following reasons (which may relate to circumstances existing at the time or those that are expected to apply in the near future):-
 - 6.5.1 to respond to changes in the Bank of England base rate;
 - 6.5.2 to respond to changes in mortgage or interest rates generally;
 - 6.5.3 to enable us to manage margins between interest rates charged to our borrowers and interest rates paid to our investors, or the providers of funds to us, taking into account the interests of our business, the interests of our members as a whole, and your rights and interests as an account holder;
 - 6.5.4 to respond to changes in the law or the decisions of a court or ombudsman;
 - 6.5.5 to respond to changes to relevant regulatory requirements;
 - 6.5.6 to respond to new or amended statements or codes of practice designed to enhance consumer protection;
 - 6.5.7 to respond to changes in the other costs incurred by us in providing the **Mortgage** (such as our administration costs, or regulatory or compensation scheme fees and charges);
 - 6.5.8 to respond to any increased cost or risk incurred by us as a result of any change of use of the **Property** or its occupation (for example, if the **Property** is let (either with our consent or where the letting is unauthorised));
 - 6.5.9 to enable us to maintain our financial strength, in a reasonable and prudent manner, for the benefit of all our members and to ensure we continue to meet our regulatory obligations; or
 - 6.5.10 for any other reason set out specifically in the **Mortgage Offer**.

- 6.6 Any change that we make to the rate of **Interest** will be proportionate to the reason for making the change.
- 6.7 If the reference interest rate we use to calculate the **Interest** on your **Mortgage** (which may be the Bank of England base rate or such other reference rate as set out in your Offer) is less than 0.10 percent, we will apply a floor to the Interest on your Mortgage of 0.10 percent. This means the **Interest** rate we apply to your **Mortgage** will never be less than 0.10 percent. Reference interest rates at or above 0.10% will be tracked as indicated in your **Offer** where your Mortgage has a variable or tracker **Interest** rate.
- 6.8 If:
- 6.8.1 **Interest** on your **Mortgage** is at a fixed, discounted or other reduced rate; and
 - 6.8.2 you do not meet any important obligation or **Condition** of the **Mortgage** and fail to put this right within the reasonable time set out in our personal notice to you telling you to do so; and
 - 6.8.3 the failure in question either:
 - (a) does not relate to any arrears of sums due under the **Mortgage**; or
 - (b) arises from non-repayment of an interest-only Loan at the end of the Mortgage Term,
- then we may change the Interest rate to our standard variable rate.
- 6.9 If we exercise our right under **Condition** 6.8, this will in no way prevent us from taking any action in respect of the failure, including demanding repayment under **Condition** 13.1 or enforcing our security under the **Mortgage**, unless we specifically agree otherwise.

- 7.1 If your **Loan** (or part of your **Loan**) is on an interest-only basis it is your responsibility to check that any repayment strategy is or will be adequate to redeem your **Mortgage** at the end of the **Mortgage Term**. Your **Offer Letter** will tell you whether your **Loan** (or part of your **Loan**) is on an interest-only basis.
- 7.2 You should also ensure that you have sufficient life insurance cover to repay the **Mortgage** in the event of your death. **Interest** will continue to be charged until the **Total Debt** is repaid.

- 8.1 Subject to **Condition 8.2**, you may pay off the **Mortgage** at any time by repaying the **Total Debt** (together with **Interest** up to the date of repayment and including any **Fees** and **Costs**) and any early repayment charges specified in the **Mortgage Offer**. You must also pay us any **Costs** that we have to pay any third party (such as the Land Registry) in connection with the redemption.
- 8.2 We may require you to repay all other mortgages you have with us (other than any which are regulated agreements under the Consumer Credit Act 1974) before we release the security given to us by the Mortgage. Section 93 of the LPA (which might otherwise prevent us from insisting on this) will not apply.

- 9.1 Until the **Mortgage Deed** has been released you must do the following:-
- 9.1.1 look after the **Property** and keep it in good condition;
 - 9.1.2 properly finish (without delay) any building work on the **Property**;
 - 9.1.3 pay all rents, rates and other charges payable in respect of the **Property** when due;
 - 9.1.4 fulfil all legal restrictions, obligations and conditions affecting the **Property**;
 - 9.1.5 meet all planning, housing and environmental laws and the requirements of local and other authorities;
 - 9.1.6 send us a copy within seven days of any notice you receive from a local authority or other third party (such as a landlord) that might be important in respect of the **Property**;
 - 9.1.7 allow our representatives access to the **Property** to check its condition and use, where we give you reasonable notice and specify a reasonable time;
 - 9.1.8 allow us to hold any deeds or documents relating to the **Property** if we need to;
 - 9.1.9 sign all documents and do all other things that we may reasonably require so that the security granted to us by the **Mortgage Deed** is in full force and effect;
 - 9.1.10 if we reasonably require, grant to us (or to any person to whom we sell or intend to sell the **Property** in exercise of our power of sale) any rights of access, light or other amenities over any land owned by you neighbouring the **Property**, if they are reasonably necessary for the use of the **Property**; and
 - 9.1.11 tell us about any significant disagreement affecting the **Property** or any lease of it.
- 9.2 Until the **Mortgage** has come to an end you must NOT do any of the following in relation to the **Property** unless we have agreed in writing that you can:-
- 9.2.1 apply for any improvement or other grant;
 - 9.2.2 change its structure, demolish it or change its use;
 - 9.2.3 sell, transfer or otherwise dispose of the **Property**;

- 9.2.4 create any letting, lease or licence, or terminate or change any lease (and any statutory right you may otherwise have to do this will not apply) or otherwise allow any third party to occupy any part of the Property;
 - 9.2.5 create (or allow to exist) any mortgage or charge other than the **Mortgage Deed**;
 - 9.2.6 create any circumstances (such as causing pollution or keeping any hazardous substances) which could lead to any liability on you or us under any environmental laws.
- 9.3 We will not unreasonably refuse a request from you to do something under **Condition 9.2**, but we may require a **Fee** or additional **Interest** to be paid as a condition of giving our agreement. The amount of any **Fee** may be set out in the **Tariff**. We will set the amount of any **Fee** not set out in the **Tariff**, and any additional **Interest** we require you to pay, at a level which is proportionate taking into account any additional costs we will (or are likely to) incur and any new or increased risks to the **Property**.

- 10.1 The **Property** must be adequately insured at all times. The insurance must cover loss or damage by fire and such other risks as we may reasonably require. The amount of the insurance cover must be for a minimum of the full reinstatement cost of the property.
- 10.2 Unless we have agreed to arrange the insurance, you must arrange it yourself. If you fail to do so, or if your insurance is not approved by us under **Condition** 10.4, then we may (but we are not required to) arrange the insurance.
- 10.3 If you are to arrange the insurance, then the insurance company and the terms of the policy must be approved by us. We will not unreasonably refuse our approval. You must pay the premiums when due and provide us with evidence that you have paid the premiums, as and when we reasonably request it. However, we are not under any obligation to you to check that your policy is in force.
- 10.4 We are not under any obligation to you to check the adequacy of the insurance. It is your responsibility to make sure that the cover under the insurance is adequate at all times. The amount of the insurance cover must be increased as necessary to make sure this is the case.
- 10.5 If there is a possible claim on the insurance then you must make a claim. We may take control of the claim and (acting reasonably) agree settlement with the insurance company.
- 10.6 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 insurance company and the terms of the policy must be approved by us, but we will not unreasonably refuse approval.
- 10.7 You have the right to choose whether any money received by you or us from any insurance in respect of the **Property** is used in making good the damage or loss that was the reason for the claim or in or towards repayment of the **Total Debt**, unless the **Property** cannot lawfully be repaired or the **Total Debt** has become payable under **Condition** 13. In those cases, the money must be applied in or towards repayment of the **Total Debt** unless we agree otherwise.
- 10.8 You must not do or allow anything to be done that might make the insurance invalid.
- 10.9 You must not, without our written approval, put in place any buildings insurance in respect of the **Property**, other than the insurance required by this **Condition** 10. We will not unreasonably refuse our approval.
- 10.10 Any money received by you from any insurance relating to the **Property** must be held on our behalf unless and until it is used as required by **Condition** 10.8.

- 11.1 We may charge **Fees** in relation to the operation of your **Mortgage** account and for providing any service in connection with the **Mortgage**.
- 11.2 **Fees** specific to your **Mortgage** are set out in your **Mortgage Offer**.
- 11.3 Details of our other standard **Fees** are set out in our **Tariff**. We will send you a copy of our current **Tariff** at least once a year, but you can obtain a copy of this at any time by contacting us or looking at our website.
- 11.4 We will notify you of any **Fees** charged. **Interest** will be charged on any **Fees** not paid within seven days of our notifying you of them.
- 11.5 We can (unless otherwise stated in the **Mortgage Offer**) change the **Fees** we charge at any time. Changes may include the removal of, or amendment to, existing **Fees** or the introduction of new **Fees**, and may only be made if we reasonably believe that the change is needed for any of the following reasons (which may relate to circumstances existing at the time or those which are expected to apply in the near future):-
- 11.5.1 to respond to changes in the costs (including tax) we incur in providing the service, or carrying out the function, to which the fee relates;
 - 11.5.2 to respond to changes to relevant regulatory requirements;
 - 11.5.3 to respond to new (or changes to) any statements or codes of practice designed to enhance consumer protection.
- Any change that we make to our **Fees** will be proportionate to the reason for making the change.
- 11.6 Where we introduce new **Fees**, or increase existing **Fees**, we will tell you about the change, a reasonable time before it takes effect, as follows:-
- 11.6.1 by personal notice;
 - 11.6.2 by sending you a copy of our revised **Tariff**; or
 - 11.6.3 by general notice in our branches and Principal Office, together with advertisements in two or more newspapers of our choice. You can find out which are the relevant newspapers by contacting any branch or our Principal Office.
- 11.7 A change which removes a **Fee**, or reduces the amount of an existing **Fee**, may be introduced with immediate effect and without notice.
- 11.8 You must also pay us for all reasonable expenses that we, or any receiver appointed by us, may incur. These **Costs** may arise if:-

- 11.8.1 you fail to do what you have promised to do under these **Conditions**;
- 11.8.2 we exercise any of the rights we have under these **Conditions** or by law;
- 11.8.3 if we take any action to protect our security; or
- 11.8.4 under **Conditions** 8.1, 10.3 or 12.3.

Costs may include a reasonable amount in respect of our internal administrative expenses. They may also include legal costs of a reasonable amount which we have reasonably incurred.

- 11.9 Where it is possible to estimate the expenses we are likely to incur in particular situations, the amount of the **Costs** will be set out in our **Tariff**. When they are set out in the **Tariff** they may be changed for any of the reasons set out in **Condition** 11.5.
- 11.10 We will give you personal notice of any **Costs** incurred. **Interest** will be charged on any **Costs** not paid within seven days of our notifying you of them.

- 12.1 If you do not carry out any of your obligations under the **Mortgage**, we may (but we do not have to) carry them out. For this purpose we may need to have reasonable access to the **Property**, which you agree to give us. If we have access this does not mean we have taken possession of the **Property**.
- 12.2 Without limiting **Condition** 12.1, if the **Property** is leasehold we may take any steps (including paying any money due to the landlord) that we reasonably consider necessary to prevent termination or forfeiture of the lease.
- 12.3 If we incur any **Costs** as a result of our acting under **Condition** 12.1 or 12.2, you must reimburse us as soon as we ask you to. If you do not, the amount of the **Costs** will be added to the **Total Debt** and **Interest** will be charged on it in accordance with **Condition** 11.10.

- 13.1 If any of the events set out in **Condition** 13.2 happen, we may require you to pay the Total Debt immediately, in which case you must do so.
- 13.2 The events mentioned in **Condition** 13.1 are:-
- 13.2.1 you do not pay when due, and still owe us, an amount equal to two **Monthly Payments** or more;
 - 13.2.2 you fail to pay the **Total Debt** at the end of the **Mortgage Term**;
 - 13.2.3 you fail to comply with any other term of the **Mortgage** in a respect which creates a significant new or increased risk of damage to the **Property** and/or that we would suffer loss if we were to realise our security and you do not put your failure right within 30 days of our giving you personal notice of it;
 - 13.2.4 the **Property** is destroyed or demolished without our consent;
 - 13.2.5 you become bankrupt or unable to pay your debts;
 - 13.2.6 you die, or where there is more than one **Borrower**, the last remaining **Borrower** dies, in which case the executor or personal representative of that **Borrower** shall use best endeavours to sell the Property in order to pay the **Total Debt** or make such other arrangements with the **Borrower's** estate as are necessary to pay the **Total Debt**, which is payable immediately. We may, at our sole discretion and without prejudice to any of our other rights, allow a maximum period of 12 months for the Total Debt to be paid following the date of death of the last **Borrower**;
 - 13.2.7 any **Guarantor** dies, becomes bankrupt or becomes unable to pay their debts, unless there is a replacement **Guarantor** that is acceptable to us;
 - 13.2.8 you or any **Guarantor** move to a permanent place of residence outside the United Kingdom and we reasonably consider that we can no longer continue to lawfully administer the **Mortgage** or have normal dealings with you or any **Guarantor** in compliance with both the laws of the United Kingdom and any laws of that place of residence, or we reasonably consider that the increased costs of administering the **Mortgage** or dealing with you or the **Guarantor** in compliance with the laws of the United Kingdom and that place of residence are materially increased.
 - 13.2.9 the **Property** becomes subject to a compulsory purchase order, or requisitioned by any authority legally entitled to do so;

- 13.2.10 you abandon the **Property**;
- 13.2.11 our security for the **Mortgage** becomes unenforceable; or
- 13.2.12 you have been guilty of any fraud, or have dishonestly provided us with misleading information, in relation to the **Mortgage**.

- 14.1 The statutory powers that we have as a mortgage lender under the **LPA** will come into force the day after the **Mortgage**. For the purposes of these powers, the **Total Debt** will be treated as due then.
- 14.2 When the **Total Debt** becomes immediately due and payable under **Condition 13** we may exercise the powers given to mortgagees by the **LPA** free from any of the restrictions contained in Section 103 of the **LPA** that might otherwise apply. In particular, we may do one or more of the following:-
- 14.2.1 take possession of the **Property** and require you to leave it;
 - 14.2.2 appoint a receiver (who may be a person employed by us) or exercise any power given to a receiver under **Condition 14.4** below;
 - 14.2.3 sell the **Property** by any method we reasonably consider appropriate (including selling in parts), taking into account the nature of the **Property** and its condition at the time of sale or disposal;
 - 14.2.4 let the **Property**, furnished or unfurnished, at such a rent and on such terms as we reasonably think fit or bring any letting of the **Property** to an end;
 - 14.2.5 repair, alter or improve the **Property** as we reasonably think fit, in order to preserve the **Property** or our security;
 - 14.2.6 employ any agents or workmen for the purposes set out above.
- 14.3 No purchaser or other person dealing with us or any receiver need check whether the **Total Debt** has become immediately due and payable or whether any power has become exercisable, or to check on the use made of any money paid to us or to any receiver.
- 14.4 A receiver:-
- 14.4.1 will be entitled to be paid reasonable fees or commission, and will be appointed by us on such other terms as are reasonable in the circumstances;
 - 14.4.2 will be your agent (and you will be responsible for the receiver's acts and omissions), except if the receiver is our employee;
 - 14.4.3 will be entitled, in addition to the receiver's statutory powers, to collect and receive any rents from the **Property**, and to exercise any power (including selling the **Property**) which we would be able to exercise under the **Mortgage**; and
 - 14.4.4 to employ any agents or workmen to do things on his behalf.
- 14.5 If we sell the **Property** and the amount we obtain for it (after deducting all our expenses) is not enough to repay the **Total Debt**, you agree, independently of any other **Conditions**, to pay us the shortfall with **Interest** calculated as set out in **Condition 6**.

If we take possession of the **Property** or appoint a receiver of it, we may remove, store and/or sell any furniture, personal items or animals in it. We will notify you before we do this. You will be responsible for any **Costs** we reasonably incur. You will be entitled to 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 such care as is reasonable in the circumstances. This power does not give us any interest in, or charge over, furniture, personal items or animals.

- 16.1 By signing the **Mortgage Deed** you transfer to us, as part of our security over the **Property**, the benefit of any and all **Other Rights**.
- 16.2 If you receive any money arising from **Other Rights**, you must hold it on our behalf.
- 16.3 Our rights under **Conditions** 16.1 and 16.2 will last while the **Mortgage** is in existence.
- 16.4 By signing the **Mortgage Deed**, you give us a power of attorney (that is, a power to act on your behalf) to recover any money due in respect of **Other Rights**, including taking any necessary legal action.
- 16.5 You also give us a power of attorney to sign any documents and take any action that you have agreed but failed to sign or take under these **Conditions** and also to transfer any shares you may hold in any tenants' or residents' association or management company in connection with the **Property** if we sell the **Property** under **Condition** 14.
- 16.6 The powers of attorney in **Conditions** 16.4 and 16.5 are given to us as security for the **Total Debt** and cannot be withdrawn by you. They will, however, come to an end when the **Mortgage** comes to an end and the **Total Debt** is repaid. You also grant a separate power of attorney to any receiver we may appoint.
- 16.7 We will not use the powers of attorney unless one of the events mentioned in **Condition** 13 has occurred and we have told you that our right to use the power has arisen.
- 16.8 If the **Property** is held on a lease, and you want to extend the lease or buy the freehold of the **Property** or the building which includes the **Property**, then you must tell us. Our security under the **Mortgage Deed** automatically covers any extended lease or freehold interest from the time of the extension or acquisition. You must sign any additional documentation that we may reasonably require to confirm this.
- 16.9 Where the **Property** is held by you on a shared ownership lease or similar arrangement you transfer to us (until the **Mortgage** comes to an end and the **Total Debt** has been repaid) the right to own the freehold or a further lease or an extended lease as the case may be.

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

- 18.1 We may transfer, charge or otherwise dispose of, at law and/or in equity, at any time some or all of our rights under the **Mortgage** and/or a **Loan** (including our rights against any **Guarantor**) in favour of a third party, whether or not a building society. However, we will only transfer our rights if we reasonably think that the policies operated by that third party in connection with the **Mortgage** are not less favourable to you, to any material extent, than the policies we were following before the transfer.
- 18.2 In connection with such a transfer:-
- 18.2.1 if it is a full transfer of your **Mortgage**, you will cease to be a member of the Society in respect of the **Mortgage**, and our **Rules** will cease to apply (although if the transferee is a building society, you may become a member of the transferee, in which case its rules will apply);
 - 18.2.2 we may disclose any information relating to you and the **Mortgage**;
 - 18.2.3 unless the terms of the transfer state otherwise, the third party to whom we transfer the **Mortgage** will be able to exercise all the rights and powers that we could exercise before the transfer; and
 - 18.2.4 your rights under the **Mortgage** will not be affected.
- 18.3 This **Condition** does not apply to a transfer of the **Mortgage** on a merger between us and another building society, or to a transfer of our business to a company under the Building Societies Act 1986. Instead, the provisions of that Act will apply.

- 19.1 If we have to serve on you a letter or other document (or, subject to Condition 19.4, another form of personal notice) under this **Mortgage** it will be in writing and sent to your registered address or other address last known to us.
- 19.2 If we send a notice in the post we can assume you have received it by the time specified in the Society's **Rules** or, if the **Rules** no longer apply (by virtue of **Condition** 18.2.1), 48 hours after we have posted it regardless of the class of post used.
- 19.3 If there is more than one of you, then if you share the same address, we will send a single copy of the notice addressed to each of you. If you have different addresses, we will send a copy of the notice to each address.
- 19.4 A reference to "personal notice" means a letter or (if you have agreed with us that we are to contact you in this way) email or other forms of electronic communication.

- 20.1 If we decide to relax any of the terms of the **Mortgage**, or not to enforce them at any particular time, this will not affect any of our powers or rights or stop us from taking any action in the future.
- 20.2 If we cannot enforce any term of the **Mortgage**, this will not stop us from enforcing the others. Each term is separate from the others.

The **Mortgage** is governed by the law of England and Wales.

Unless you and we agree otherwise, all communications with you in relation to the **Mortgage** will be in English.

We may change the terms and conditions applying to your **Mortgage** (except for a change to the **Interest** rate, **Fees**, **Costs**, **Monthly Payment**, **Payment Day** or **Mortgage Term** in so far as we are already able to make changes under **Conditions** 4, 5, 6 and 11). Where we do so, we will give you at least one month's personal notice (unless we are not permitted to do so by law or regulation, in which case we will give you as much notice as is permitted). We will only make such a change to comply with law or regulation, to correct a typo in an existing term or **Condition**, or to enable us to provide you with additional or improved services in relation to your **Mortgage**. We will not make any change under this **Condition** 23 that works to your disadvantage unless we are required to do so by law or regulation.

- 24.1 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 24**.

BY GIVING A GUARANTEE, THE GUARANTOR MAY BECOME LIABLE INSTEAD OF, OR AS WELL AS, YOU. A GUARANTOR SHOULD TAKE INDEPENDENT LEGAL ADVICE BEFORE SIGNING THE MORTGAGE DEED.

- 24.2 If there is a **Guarantor**, then the following provisions apply:-

- 24.2.1 The **Guarantor** agrees with the Society to be equally responsible as you for all your obligations to us under the **Mortgage**, and to pay us on demand any sums of money due from you under the **Mortgage** but unpaid, including all amounts included in the **Total Debt**.
- 24.2.2 Any arrangements that we make with you regarding repayment of the **Total Debt** will not affect the obligations of the **Guarantor** to pay your **Total Debt** if you fail to do so. In particular, the liability of the **Guarantor** will not be affected where:-
- (a) we have made a previous demand, or the **Guarantor** has made a previous payment;
 - (b) we allow you or the **Guarantor** additional time to make any payment or any other concession;
 - (c) we take any other security in relation to the **Total Debt**, or any such security is not enforceable for any reason; or
 - (d) you (or any of you) dies, becomes insolvent or incapable of managing their affairs;
 - (e) anything else happens, or any action is taken or not taken, which might (apart from this **Condition**) affect the liability of the **Guarantor**.
- 24.2.3 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**.
- 24.2.4 The **Guarantor** agrees:-
- (a) not to share in any security we have or take any security from you or any other person in connection with this guarantee;
 - (b) not to enforce any right or pursue any claim against the **Borrower** or any other persons in respect of the **Mortgage**; and
 - (c) not to make any claim which would compete with ours,

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

- 24.2.5 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.
- 24.2.6 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** which relate to that **Loan**.
- 24.2.7 If there is more than one **Guarantor**, each **Guarantor** is separately responsible for the whole of the obligations and liabilities of the **Guarantor** under the **Conditions**.
- 24.2.8 Our rights against any **Guarantor** are independent of, and additional to, any other security we have for the **Total Debt**. We do not have to use our rights in respect of any other security before using our rights to claim against the **Guarantor**.
- 24.2.9 No failure or delay by us in using any of our rights against the **Guarantor** will prevent us from using those rights in the future.
- 24.2.10 We may hold any money we receive from a **Guarantor** in a separate account.
- 24.2.11 You agree to our providing information about the Mortgage to the **Guarantor**.

- 25.1 This **Condition** applies to every **Life Policy** that may be used from time to time to secure obligations under the **Mortgage**. Your **Mortgage Offer** will indicate whether a **Life Policy** is required and whether we require an assignment or a deposit of the policy with us. In the event that you do not for any reason maintain a current valid **Life Policy** taken out in relation to an interest-only mortgage, we reserve the right (but are not under any obligation) to change your **Mortgage** to a repayment mortgage under **Condition 5.5**. (Please see **Condition 5.2** for meanings of interest-only and repayment mortgages.)

Office hours:

Mon, Tue, Thu, Fri 9am - 5pm

Wed 9.45am - 5pm

Sat 9am - 12pm

All branches 01257 235 000

For mortgage enquiries and details of our mortgage products call:

01257 235001

For savings account enquiries and details of our savings products call:

01257 235003

For general enquiries call:

01257 235000

Head Office:

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Branches:

28-30 High Street, Chorley, Lancashire PR7 1DW

153-155 Towngate, Leyland, Lancashire PR25 2LH

**Chorley
Building
Society**

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Chorley and District Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered on the Financial Services Register under number 206023.

Registered Office: Key House, Foxhole Road, Chorley, Lancashire PR7 1NZ.