



# General Conditions for Residential Mortgages

December 2018

## Information for borrowers

This information has been assembled to assist You, and does not form part of the Conditions.

These Conditions, together with Your Mortgage Offer Letter (including the special conditions and ESIS), the Mortgage Deed, the Tariff of Charges and any other documents expressed to be part of Our agreement relating to Your Mortgage (the Mortgage Documents) form the agreement between You and Us.

Please read the Mortgage Documents carefully and if You have any questions ask Your Solicitor to explain before You go ahead with the Mortgage. You should keep all Your Mortgage Documents together, and keep them safe but accessible.

You, and We are bound by these Conditions. Your Mortgage Offer Letter will also identify any other terms and conditions which apply to Your Mortgage (in particular, any special conditions which will need to be satisfied before the Loan Amount is released to Your Solicitor).

Our documentation will be in the English language. We will communicate with You in the English language, unless We consider it to be of assistance to You to communicate in another language, in which case We may also communicate with You in that language.

Cynergy Bank Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 575105. You can check this by visiting the FCA website at [www.fca.org.uk](http://www.fca.org.uk) or by contacting the FCA on 0800 111 6768.

If, at any time, You are struggling with Your repayments, please contact Us as soon as possible to see how We can help. Our telephone number is: 0345 850 5555.

If You feel that We have not provided the standard of service You expect, or if We make a mistake, please let Us know. If You have a complaint, We aim to resolve it as quickly as possible and to Your satisfaction. The easiest way to raise Your complaint with Us is to call Us on 0345 850 5555 (+44(0)20 3375 6422 from outside the UK).

Alternatively, you can email our Complaint Resolution Team at [complaints@cynergybank.co.uk](mailto:complaints@cynergybank.co.uk) or write to us at:

Complaint Resolution Team  
Cynergy Bank Limited  
PO Box 17484  
87 Chase Side  
London  
N14 5WH

We will acknowledge Your complaint within two working days of receipt and will attempt to resolve Your complaint immediately. If We need more than two days to resolve your complaint we will explain why. If we need more than five days to resolve your complaint we will write to you explaining this and, if necessary, update you at regular intervals while our investigations are ongoing. When a final decision has been reached, We will issue a final response letter to You.

If we are unable to resolve your complaint to your satisfaction or in the unlikely event that your complaint is unresolved after eight weeks, You may be able to refer Your complaint to the Financial Ombudsman Service. We will provide you with more details about this in Our final response letter. You can contact the Financial Ombudsman Service by calling them on 0800 023 4 567 (free from mobile phones and landlines), email them at: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk) or write to them at: The Financial Ombudsman Service, Exchange Tower, E14 9SR.

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## Part 1 – Definitions and interpretation

### 1 Definitions

1.1 **Arrears** means the amount of money You owe Us but did not pay Us when it was due, worked out in accordance with Condition 7.1

**Authorities** includes any judicial, administrative, public or regulatory body, any government, any tax authority, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of Cynergy Bank

**Bank of Cyprus Group** means Bank of Cyprus Public Company Limited and its group entities

**Bank of England Base Rate** means the Bank of England's Official Bank Rate

**Capital Repayment Mortgage** means a mortgage where Your Monthly Payments cover both capital and interest

**Cynergy Bank** means Cynergy Bank Limited and any group entities from time to time.

**Cynergy Bank Mortgage Base Rate** means the Cynergy Bank lending rate which tracks the Reference Rate

**Cynergy Bank Variable Rate** means the rate of interest which We publish as the Cynergy Bank Variable Rate. It is calculated as the Cynergy Bank Mortgage Base Rate plus the Cynergy Bank Variable Rate Margin. We can change the Cynergy Bank Variable Rate under Condition 15

**Cynergy Bank Variable Rate Margin** means any rate We add to, or take away from the Cynergy Bank Mortgage Base Rate to arrive at the Cynergy Bank Variable Rate

**Compliance Obligations** means obligations of Cynergy Bank to comply with: a) laws, rules, regulations, guidance and internal policies or procedures; and b) any demand from an Authority or reporting, disclosure or other legal obligations

**Conditions** means these General Conditions for Residential Mortgages, this document forms part of the legal charge in favour of Us in relation to the Security as subsequently amended, supplemented, renewed or replaced from time to time

**Customer Information** means information relating to You from which You can be identified and confidential and tax information

**Discount Rate** means the Cynergy Bank Variable Rate and any rate We add to, or take away from it to arrive at the Discount Rate

**Discount Rate Period** means the period set out in the Mortgage Offer Letter during which the Discount Rate applies

**Drawdown** means when the Loan Amount is disbursed by Us to Your Solicitor

**Early Repayment Charge** means any additional charge which Your Mortgage Offer Letter says You have to pay Us if, within the period specified in Your Mortgage Offer Letter, You make a repayment which exceeds any maximum amount which Your Mortgage Offer Letter says You may repay without payment of any additional charge

**ESIS or Illustration** means the European Standardised Information Sheet enclosed with Your Mortgage Offer Letter (ESIS and Illustration may be used interchangeably in the Mortgage Documents and have the same meaning)

**Event of Default** means any of the circumstances referred to in Condition 29.1

**Fixed Rate** means the rate at which Your Mortgage is fixed at for the Fixed Rate Period

**Fixed Rate Period** means the period set out in the Mortgage Offer Letter during which the Fixed Rate applies

**Interest Only Mortgage** means a mortgage where Your Monthly Payments only cover interest and You repay the outstanding Loan Amount at the end of the Term

**Interest Period** means:

- (a) the period from the day the Mortgage is made until 24.00 hours on the day before the first Payment Date; and
- (b) each subsequent period starting at 00.00 hours on a Payment Date and ending at 24.00 hours on the day before the next Payment Date

**Lease** means the lease(s) You grant to tenants in respect of the Property

**Loan Amount** means the total amount of money outstanding under the Mortgage Documents, including any interest, fees, charges, costs and losses payable by You

**Monthly Payment** means the monthly payment which is set out in the Mortgage Offer Letter.

**Mortgage** means the agreement between You and Us set out in the Mortgage Documents

**Mortgage Account** means the account We keep for recording debits and credits under the Mortgage Documents

**Mortgage Deed** means the document incorporating the Conditions which charges the Security to Us or a document which gives Us substituted or additional security to secure the Loan Amount as subsequently amended, supplemented, renewed or replaced from time to time

**Mortgage Documents** means these Conditions, the Mortgage Offer Letter (including the special conditions upon which that offer is made and the enclosed ESIS), the Mortgage Deed and Our Tariff of Charges (and any other documents expressed to be part of Our agreement relating to Your Mortgage)

**Mortgage Offer** means the binding offer We issue to You offering a particular Mortgage on the terms of the Mortgage Offer Letter, these Conditions and Our Tariff of Charges

**Mortgage Offer Letter** means the letter We issue to You offering the Mortgage (setting out the special conditions upon which that offer is made and the ESIS) and including the original offer letter or to that offer letter as subsequently amended, supplemented, renewed or replaced from time to time

**Obligations** mean all Your obligations and responsibilities under the Mortgage Documents, whether:

- (a) to pay money or to perform (or not to perform) any other act;
- (b) express or implied;
- (c) present, future or contingent;
- (d) joint or several;
- (e) incurred by You or by another person on Your behalf; or

- (f) originally owing to the person claiming performance or acquired by that person from someone else.

**Our Website** means [www.cynergybank.co.uk](http://www.cynergybank.co.uk) or any replacement thereof

**Part & Part Mortgage** means a mortgage where the payment method is both “interest-only” on part of the Loan Amount and “repayment” on the other part

**Payment Date** means the date on which Your Monthly Payment is due and which is set out in Your Mortgage Offer Letter or as We may otherwise agree with You in writing

**Property** means all or any part of the freehold and/or leasehold property (or properties) comprising Our security under the Mortgage Deed and which is set out in the “Property” section of the Mortgage Deed, including all buildings, fixtures, additions and other rights (for example, easements and the benefit of any covenants relating to the Property)

**Receiver** means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security

**Reference Rate** means:

- (a) the Bank of England Base Rate; or  
(b) any replacement rate which We specify under Condition 17.

**Security** means all the Property, assets and/or rights which from time to time are, or are expressed to be, the subject of security under the Mortgage Deed, including the items charged to Us under Condition 2.2 and **security** means any mortgage, charge, pledge, lien, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind

**Solicitor** means the solicitor or licensed conveyancer acting for You in relation to the Mortgage

**Tariff of Charges** means Our list of fees and charges relating to Our mortgages published from time to time and which sets out the fees and charges described in these Conditions. We display it in the “Document library” on Our Website and it is available on request. Reference in these Conditions to **fees** and **charges** are to those fees and charges and all other fees and charges made by Us to recover the costs and expenses (including Our internal administrative expenses) We reasonably incur in connection with Your Mortgage

**Term** means the period of time stated in the Mortgage Offer Letter in which You will make repayments of the Loan Amount to Us, or as varied under these Conditions

**Tracker Rate** means the Cynergy Bank Mortgage Base Rate and any rate We add to, or take away from it to arrive at the Tracker Rate

**Tracker Rate Period** means the period set out in the Mortgage Offer Letter during which the Tracker Rate applies

**Valuation Report** means a valuation of the Property, by a Valuer approved by Us, supplied at Our request, addressed to Us and containing such information as We reasonably require on the Property

**Valuer** means a qualified valuer who is a member of the Royal Institution of Chartered Surveyors

**We/Our/Us** means Cynergy Bank and its successors, assigns and any transferees of its rights and/or obligations

**Working Day** means any day other than a Saturday, Sunday, or public holiday on which banks are open for business in London

**You/Your/Yours** means the person or persons to whom the Mortgage is granted and, to the extent applicable, any successor

- 1.2 These Conditions are to be read together with the other Mortgage Documents (the terms of the Mortgage Offer Letter continue to apply after Drawdown).
- 1.3 The singular includes the plural and the other way round.
- 1.4 Any headings in these Conditions are given for convenience only and do not affect how these Conditions are to be interpreted.
- 1.5 Conditions are given whole numbers. Conditions are divided into paragraphs, which are given decimal numbers. Paragraphs are divided into subparagraphs, which are given letters.

## **Part 2 – The Mortgage Offer**

### **2 Your Mortgage**

- 2.1 You agree to carry out Your Obligations to Us including paying all amounts You owe Us from time to time under the Mortgage Documents.
- 2.2 By entering into the Mortgage Deed, You charge to Us:
  - (a) the Property with full title guarantee and by way of legal mortgage; and
  - (b) all Your rights in any policies of insurance relating to the Property, including the proceeds of any claims under such policies (any money paid directly to You by the insurers will be held on trust for Us and promptly paid to Us upon Our request).
- 2.3 The Mortgage Deed secures Your Obligations, the Loan Amount and any other money You owe Us under any other agreement which expressly states that it is to be secured by the Mortgage Deed.
- 2.4 We shall not be obliged to release any Security except where the Loan Amount has been paid in full.
- 2.5 The Mortgage Deed, and any agreement by Us to release it, shall not affect any other security We hold or may hold in the future for all or part of the Loan Amount.
- 2.6 We may instruct a solicitor to act for Us in taking security over the Property. Unless otherwise agreed by Us in writing, You will be responsible for Our solicitor's costs and fees, as well as Your own Solicitor's.

### **3 Our right to withdraw**

- 3.1 We may, at Our sole discretion withdraw Your Mortgage Offer at any stage prior to Drawdown, even after You have accepted it, if:
  - (a) we reasonably consider that You have knowingly provided any information to Us in Your application or otherwise which is incomplete, inaccurate or that You have knowingly falsified or withheld information which We have (or would have) taken into consideration when deciding to make the Mortgage Offer;

- (b) there is a change in law or circumstance that means it is unlawful for Us to continue; or
- (c) there is a material change in the facts and circumstances relating to the Mortgage Offer.

#### **4. Conflict of terms**

4.1 If there is any inconsistency between any provisions of the Mortgage Documents, the following will prevail in the order in which they are listed:

- (a) the Mortgage Offer Letter (including the special conditions and the ESIS);
- (b) the Mortgage Deed;
- (c) these Conditions; and
- (d) the Tariff of Charges.

#### **5 Information**

5.1 You confirm that all the information You provided to Us and, if relevant, to any mortgage broker or intermediary was and continues to be correct over the Term unless You have informed Us otherwise. You must update Us if any information You previously provided is no longer correct.

5.2 Until the Loan Amount has been paid You will provide Us with copies of any documents or information We may from time to time reasonably request within seven days of Our request.

5.3 You agree to provide Us with any evidence We reasonably request to show You have complied with Your Obligations within seven days of Our request.

#### **6 Payment of the Loan Amount**

6.1 Subject to completion of the legal formalities and satisfaction of any conditions set out in the Mortgage Offer Letter, the Loan Amount may be drawn in full in the 90 calendar days following Your acceptance of the Mortgage Offer. You, or a person authorised to act on Your behalf, must give Us written notice of Drawdown at least four Working Days prior to the proposed completion date. We will do Our best to allow You to drawdown if You give Us less notice, but We cannot guarantee that We will be able to accommodate Your request. No Drawdown will be made if, at the date of Drawdown, there exists an Event of Default.

6.2 The Mortgage will be advanced to Your Solicitor by telegraphic transfer one Working Day prior to the completion date which You notify Us of in accordance with Condition 6.1. A funds transfer fee will be payable by You on Drawdown.

### **Part 3 – Repayment**

#### **7 Your Mortgage Account**

7.1 Any Arrears will be held in a separate Arrears balance, which is calculated in the following way:



- (a) the interest We charge on the Loan Amount each day during an Interest Period will be added to the Arrears balance on the first day of the following Interest Period (unless it has been paid off);
- (b) any unpaid item on the Mortgage Account which remains unpaid at the end of the day on which it falls due for payment will be transferred to the Arrears balance at the start of the following day and will then cease to form part of the Loan Amount (unless and until it is transferred back to the Mortgage Account under Condition 7.2); and
- (c) any Arrears which are transferred to the Mortgage Account under Condition 7.2 will reduce the Arrears balance on the day the transfer takes place.

7.2 We may transfer any part of the Arrears to Your Mortgage Account if We reasonably believe that:

- (a) You will not be able to pay off the Arrears transferred before the end of the Term;
- (b) You will be able to afford any increase in the Monthly Payment which We are likely to make under Condition 10 as a result of the transfer; and
- (c) where You have an Interest Only Mortgage or a Part & Part Mortgage, You will be able to repay Your Loan Amount (including the amount transferred) in full at or by the end of the Term.

7.3 The Loan Amount is worked out in the following way:

- (a) any Arrears which are transferred to the Mortgage Account under Condition 7.2 and any unpaid fees and charges which are transferred to the Mortgage Account under Condition 18.3 will increase the Loan Amount on the day the transfer takes place;
- (b) any unpaid item on the Mortgage Account which is transferred to the Arrears balance under Condition 7.1 will reduce the Loan Amount at the time the transfer takes place; and
- (c) any money We receive for the credit of Your Mortgage Account will be used according to Condition 10.3 unless You are in Arrears.

7.4 If any unpaid interest is added to Arrears under Condition 7.1(a) the interest rate which applies to that unpaid interest will be the rate which applies to the money on which the unpaid interest accrued.

## **8 Repayment of the Loan Amount**

8.1 The Mortgage Payment will be made monthly by Direct Debit. This may be changed by written agreement of both You and Us.

8.2 Unless otherwise agreed by Us in writing, You will:

- (a) pay Monthly Payments by the relevant Payment Date;
- (b) pay the Loan Amount by the end of the Term;
- (c) pay any Arrears by the dates requested or agreed between Us; and

- (d) pay all other outstanding amounts such as fees and charges by the date notified to You.
- 8.3 For a Capital Repayment Mortgage, the Monthly Payment will consist of a combined payment of capital and interest to repay the Loan Amount by the end of the Term.
- 8.4 For an Interest Only Mortgage, the Monthly Payment will consist only of interest and You will have to repay the outstanding Loan Amount in a lump sum at the end of the Term. You must make sure You are able to do so. This is Your responsibility.
- 8.5 For a Part & Part Mortgage, the interest-only method will apply to the Loan Amount described as "interest-only" in the Mortgage Offer Letter, and the repayment method will apply to the balance. You will have to repay part of the Loan Amount, in a lump sum at the end of the Term.

You must make sure You are able to do so. This is Your responsibility.

- 8.6 Without limiting any other rights We have under the Mortgage Documents, if You have an Interest Only Mortgage or a Part & Part Mortgage and at any time You are:
  - (a) in Arrears with Your Monthly Payments;
  - (b) the amount in Arrears is equal to at least two of those Monthly Payments; and
  - (c) if, having discussed it with You, We consider that a change in repayment method is reasonable and appropriate in Your circumstances;

We may give You notice converting it into a Capital Repayment Mortgage and increasing the Monthly Payments so that they provide for the Loan Amount which was covered by the scheme to be repaid with interest by the end of the Term.

## **9 General payment provisions**

- 9.1 You agree that all amounts owing under the Mortgage will be made in British Pounds Sterling and paid in cleared funds on the due date for payment, or if that date is not a Working Day, on the next Working Day.
- 9.2 All fees, charges and other payments in respect of the Mortgage are exclusive of value added tax (VAT) and similar taxes unless otherwise stated and You will pay all such taxes as applicable.
- 9.3 Except where You have a valid contractual claim against Us, all payments to Us will be made in full without set-off or counter-claim or any other deduction.
- 9.4 If any Monthly Payment is overdue for payment and You hold money in another account with Us (for example a current or savings account) then We can use that money in accordance with these Conditions to reduce or repay what You owe by way of set-off (subject to the terms and conditions of that account).
- 9.5 If You owe Us money on more than one Mortgage Account You must decide which Mortgage Account to apply any incoming payments.

## 10 Monthly Payments

- 10.1 Subject to Condition 10.2, We may change the Monthly Payment at any time by giving You notice. The change will come into effect on the date stated in the notice (which will not be earlier than the date We give the notice).
- 10.2 We may change the Monthly Payment for any of the following reasons:
- (a) if a Fixed Rate Period, Discount Rate Period or Tracker Rate Period has come to an end;
  - (b) if the interest rate has changed;
  - (c) if the Interest Period has changed upon a variation to the Payment Date;
  - (d) if the Term of Your Mortgage has changed;
  - (e) if We have made You an additional loan;
  - (f) if the Loan Amount has increased because:
    - (i) We have added any Arrears to the Mortgage Account under Condition 7.2; or
    - (ii) We have added any unpaid fees and charges to the Mortgage Account under Condition 18.3;
  - (g) if You make an overpayment under Condition 12;
  - (h) if You have paid Us less or more than is necessary to ensure that the Loan Amount is repaid within the Term (this applies even if We have made a mistake in working out the Monthly Payment but You will be entitled to pursue any claim which You may have against Us if You suffer loss as a result); or
  - (i) if We have applied, changed, or cancelled any other arrangement or concession permitting You to suspend the payment of the Loan Amount and/or to defer the payment of interest on any part of the Loan Amount.
- 10.3 When We apply any incoming payments to any particular Mortgage Account, We will do so in the following order:
- (a) first, to repay any fees or charges due but unpaid under the Mortgage Documents (this may include fees and charges which We have charged in relation to a particular Mortgage Account but which We have, for administrative purposes, debited to another account in Your name);
  - (b) second, to repay any accrued interest under the Mortgage Documents;
  - (c) and third, to repay the Loan Amount.
- 10.4 Where You make Your Monthly Payment from an account with Us and if there are insufficient funds in Your account for a direct transfer payment on the Payment Date We will either:
- (a) stop the payment: if We stop the payment there will be a charge on Your account in accordance with Our Tariff of Charges; or
  - (b) allow the payment: if the payment is made, it will create or increase an excess on any arranged overdraft or, if no overdraft has been arranged, it will create or increase an unarranged overdraft on Your account. These overdrafts will be subject to the appropriate rate for exceeding agreed limits or Our rate for

unarranged overdrafts, whichever is applicable, in accordance with Our Tariff of Charges.

## 11 Mortgage Statement

- 11.1 We will send You a mortgage statement once a year free of charge. If You would like statements for different periods, We can do so but may charge for this service.
- 11.2 Always check Your mortgage statement. If anything appears to be wrong, You should tell Us as soon as possible so that We can investigate the matter and correct anything if necessary.

## 12 Mortgage overpayments

- 12.1 You may make overpayments on Your Mortgage (i.e. amounts exceeding the amount of Your Monthly Payment) in accordance with Your ESIS (which forms part of Your Mortgage Offer Letter) either on a one-off basis or regularly, by setting up a direct debit.
- 12.2 If You make an overpayment on Your Mortgage, the payment amount will reduce the
- 12.3 outstanding balance on the Mortgage Account. We will not recalculate the Term or Your Monthly Payment unless You request Us to do so and such calculation will be subject to Our lending policy at the time..
- 12.4 **If You make a regular overpayment or an overpayment on a one-off basis, You may be subject to an Early Repayment Charge. Please see Your Mortgage Offer Letter for details.** One off over payments are subject to a minimum amount.

## 13 Early repayment

- 13.1 You may repay in full or in part any amounts borrowed under the Mortgage (including if You are re-financing because an Event of Default has occurred or if You are making an overpayment in accordance with Condition 12), although an Early Repayment Charge may apply. **You should read the terms of Your Mortgage Offer Letter before making a payment of more than Your Monthly Payment as there is a minimum amount that You may overpay and You may have to pay an Early Repayment Charge.**
- 13.2 If an Early Repayment Charge does apply, it will be calculated as a percentage of the Loan Amount based on the number of years of the Term remaining based on the date We receive the early repayment.
- 13.3 Amounts repaid on Your Mortgage may not be drawn again.

## Part 4 – Interest, fees and charges

### 14 Interest

- 14.1 We will charge interest at the rate or rates as set out in the Mortgage Offer Letter or as varied under these Conditions. The interest rate on Your Mortgage may be set by reference to the Cynergy Bank Variable Rate or the Cynergy Bank Mortgage Base Rate. We can change these rates at any time in accordance with Condition 15.
- 14.2 If You have a Fixed Rate, the fixed rate of interest payable during the Fixed Rate Period is set out in Your Mortgage Offer Letter. We will not vary the Fixed Rate.
- 14.3 If You have a Discount Rate, the interest rate payable during the Discount Rate Period is set out in Your Mortgage Offer Letter. This is a variable rate.

- 14.4 If You have a Tracker Rate, the interest rate payable during the Tracker Rate Period is set out in Your Mortgage Offer Letter. This is a variable rate.
- 14.5 Interest on the Loan Amount You borrow from Us will accrue day to day from the date of Drawdown. Except where the Mortgage Offer Letter states otherwise, You must pay the interest for each Interest Period in arrears by making Your Monthly Payments which are due to be paid on the first day of the following Interest Period.
- 14.6 Interest will be compounded on a monthly basis for Your Mortgage. This means that We add interest to Your Mortgage Account once a month. The amount of this interest is calculated on the amount owed by You at the end of that month. Subject to Condition 35, We reserve the right to vary the intervals at which We compound interest, but We will give You at least 30 calendar days' notice before We do so.
- 14.7 Interest and the Interest Period will be calculated on the basis of a 365 day year. In a leap year, We may charge the same amount of interest for each day in the year as We would have charged if there had only been 365 days in the year.
- 14.8 Except where Condition 14.9 applies or where a particular Interest Period is longer or shorter than a month, We will work out the interest We charge on a pro-rata basis.
- 14.9 Where there is a change during an Interest Period in:
- (a) the interest rate; or
  - (b) the amount of the Monthly Payment, the interest We charge during that Interest Period will be worked out as follows:
    - (i) from the start of the Interest Period until the end of the day before the change occurs, We will charge an apportioned part of the interest We would have charged for the whole Interest Period if the change in the interest rate or the amount of the Monthly Payment had not occurred; and
    - (ii) for the remainder of the Interest Period, We will charge an apportioned part of the interest We would have charged for the whole of the Interest Period if the change in the interest rate or the amount of the Monthly Payment had occurred immediately before the start of the Interest Period.
- 14.10 If You tell Us that You wish to repay all of the Loan Amount, We will work out the amount You have to pay, so far as it consists of interest, on the assumption that each day's interest is an equal 1/365 part of the interest We charge in the year (even if in a leap year). We will supply You with a redemption statement setting out the amount needed to repay the Loan Amount, including interest, on the date You have told Us is the date You wish to pay off the Loan Amount. We will also set out the daily interest due on the Loan Amount in the redemption statement to enable You to calculate the Loan Amount on the day You actually pay the Loan Amount if it is not the date You have told Us to use for the preparation of the redemption statement. **If You do so, an Early Repayment Charge may apply as set out in Your Mortgage Offer Letter (this will also be set out in Your redemption statement).**
- 14.11 If any fees or charges become due from You under Condition 18, interest will be charged on those fees and charges in accordance with Condition 18.3.
- 14.12 We will charge interest at the Cynergy Bank Variable Rate on any Loan Amount which remains unpaid after the end of the Term.

- 14.13 If a court makes an order for possession or if We obtain a court judgment, interest will continue to be charged in accordance with these Conditions until the Loan Amount has been repaid in full.

## 15 Changes to the interest-rate applicable to Your Mortgage: Cynergy Bank Variable Rate and Cynergy Bank Mortgage Base Rate

- 15.1 This Condition applies if and for so long as the Mortgage Offer Letter provides for interest to be charged at:
- (a) a Cynergy Bank Variable Rate;
  - (b) a rate based on the Cynergy Bank Variable Rate (i.e. the Discount Rate); or
  - (c) a rate based on the Cynergy Bank Mortgage Base Rate (i.e. the Tracker Rate or the Cynergy Bank Variable Rate).
- 15.2 We may change the Cynergy Bank Variable Rate at any time to reflect a change in the Cynergy Bank Mortgage Base Rate.
- 15.3 The Cynergy Bank Mortgage Base Rate:
- (a) **tracks the Reference Rate:** the Cynergy Bank Mortgage Base Rate mirrors the Reference Rate this means we will change the Cynergy Bank Mortgage Base Rate to reflect changes to the Reference Rate. These changes will be made within one month of any change to the Reference Rate; and
  - (b) **is subject to a 0% minimum floor:** if the level of the Reference Rate would result in the Cynergy Bank Mortgage Base Rate falling below 0%, it will be 0% instead.
- 15.4 We may also change the Cynergy Bank Variable Rate by changing the Cynergy Bank Variable Rate Margin at any time for one or more of the following reasons:
- (a) to reflect any changes or reasonably expected changes in general interest rates, including the interest rates or terms on which similar products are offered by other UK mortgage providers;
  - (b) to reflect any changes or reasonably expected changes in legal or regulatory requirements, or guidance, or to respond to requirements, guidance or decisions of any court, ombudsman or regulator;
  - (c) to reflect any changes or reasonably expected changes in the cost of the funds We use in making mortgages available to Our mortgage customers;
  - (d) to reflect a change in the way the Property is used or occupied; or
  - (e) to reflect any changes or reasonably expected changes in the credit risk relating to Your Mortgage, or to Our mortgages generally arising out of (a)-(d).
- 15.5 We will give You notice of changes in the Cynergy Bank Variable Rate and/or in accordance with Condition 36. If the change results in an increase to Your interest rate it will take effect not less than 30 Working Days from the date We give the notice. If the change results in a decrease to Your interest rate it will take effect the date We give the notice.

- 15.6 If the Cynergy Bank Variable Rate increases (unless this increase is due to a change in the Cynergy Bank Mortgage Base Rate under Condition 15.2), You will be entitled to repay all the Loan Amount within 60 Working Days from the date on which an increase takes effect, without paying any Early Repayment Charge that would otherwise apply.
- 15.7 Our current Cynergy Bank Variable Rate and Cynergy Bank Mortgage Base Rate are
- 15.8 published on Our Website. You can also obtain details from Us by telephone.

## **16 Changes to the interest-rate applicable to Your Mortgage: Fixed Rates, Discount Rates and Tracker Rates**

- 16.1 The Fixed Rate, Discount Rate or Tracker Rate will change at the end of the Fixed Rate Period, Discount Rate Period or Tracker Rate Period to the Cynergy Bank Variable Rate, as set out in the ESIS. The Cynergy Bank Variable Rate may change under Condition 15.
- 16.2 During the Discount Rate Period, the Discount Rate may change as a result of changes to the Cynergy Bank Variable Rate under Condition 15.
- 16.3 During the Tracker Rate Period, the Tracker Rate may change as a result of changes to the Cynergy Bank Mortgage Base Rate under Condition 15.
- 16.4 We will give You notice of the change in the Cynergy Bank Variable Rate and/or Cynergy Bank Mortgage Base Rate resulting in changes to Your Discount Rate or Tracker Rate in accordance with Condition 36. If the change results in an increase to Your interest rate it will take effect not less than 30 Working Days from the date We give the notice. If the change results in a decrease to Your interest rate it will take effect from the date We give the notice.
- 16.5 If the Discount Rate or Tracker Rate increases (unless this increase is due to a change in the Cynergy Bank Mortgage Base Rate under Condition 15.2), You will be entitled to repay all the Loan Amount within 60 Working Days from the date on which an increase takes effect, without paying any Early Repayment Charge that would otherwise apply.

## **17 Substituting a different Reference Rate**

- 17.1 We may, by giving You not less than seven Working Days' written notice, specify a new rate of interest as the Reference Rate if the Bank of England Base Rate, or any other rate which We have previously specified under this Condition, ceases to exist. Any rate of interest which We specify under this Condition will be either:
- (a) the nearest equivalent lending rate set by the Bank of England or (if the Bank of England itself ceases to exist) by any central bank which replaces the Bank of England; or
  - (b) (if such a rate cannot be identified or is not widely used as a basis for setting interest rates in the UK) the average base rate of two or more major banks chosen by Us which:
    - (i) carry on a substantial part of their business in the UK; and
    - (ii) publish or communicate their base rates to the public in the UK.

## **18 Fees and charges**

- 18.1 Your Mortgage will be subject to fees and charges. This includes fees and charges (if any) for dealing with Arrears or default or for other services. Our fees and charges, can, subject to Condition 19, be changed at any time.
- 18.2 Any fee or charge We charge under this Condition 18 will form part of the Loan Amount and will be secured by the Mortgage Deed until paid.
- 18.3 When We charge a fee or charge, You agree:
- (a) to pay the fee or charge to Us by the date notified to You;
  - (b) We will add the fee or charge to an 'unpaid fees and charges' balance if it is not paid by the date notified to You;
  - (c) We will charge interest each day on the amount of the 'unpaid fees and charges' balance. Interest will be calculated and added to the 'unpaid fees and charges' at the end of each day;
  - (d) We will charge interest on the 'unpaid fees and charges' balance at the interest rate applicable to Your Mortgage. If We have divided Your Mortgage Account into different parts, We will charge interest on the 'unpaid fees and charges' balance at the lowest interest rate charged on any part of the Mortgage Account. If You do not wish to incur interest You should pay the amount by the time stated in the notice; and
  - (e) We may transfer any part of the 'unpaid fees and charges' balance to the Mortgage Account under Condition 7.3(a) if We reasonably believe that You will not be able to pay off the amount transferred before the end of the Term.
- 18.4 We may ask You to pay any fee or charge before We perform the service or carry out the activity for which it is imposed. We will notify You of any amount due and when they should be paid by.
- 18.5 We may provide services and carry out activities on Your Mortgage free of fees and charges. However, We may introduce fees and charges for those services and activities at any time.

## **19 Increasing Our fees and charges**

- 19.1 We can increase any of the fees and charges or introduce new fees or charges in connection with the Mortgage to reflect, or in anticipation of:
- (a) any new laws, regulations or requirements or any changes in or in the interpretation of these;
  - (b) any new code of practice, recommendation, guideline, requirement or decision by any Authority and any changes in or in the interpretation of these;
  - (c) increases in the cost to Us of agreeing to make or of making the Mortgage available including the costs We pay to others;
  - (d) changes in general interest rates, including the interest rates or terms offered by other banks or financial institutions in the UK for similar facilities;
  - (e) increased costs associated with changes in relevant market conditions or relevant technology;
  - (f) any changes in money market interest rates or the cost of money We lend; and



- (g) any reorganisation of Our business as a result of it being acquired, or Our acquiring another organisation (so that customers with similar facilities can be treated in the same way).

19.2 If We remove fees or charges or make changes which are to Your advantage, We may do this without telling You.

19.3 If We:

- (a) introduce new fees and charges;
- (b) increase existing fees and charges; or
- (c) change to Your disadvantage the way You have to pay fees and charges,

We will give You notice of the change in accordance with Condition 36 and it will take effect not less than 30 Working Days from the date We give the notice. However, if You are unhappy with such changes, upon Us telling You about them, You will be permitted to repay Your Loan Amount in full within 60 Working Days without incurring any Early Repayment Charge that would otherwise apply.

## **Part 5 – Rights and responsibilities**

### **20 Your responsibilities**

20.1 The obligations and responsibilities in this Condition 20 apply to You for as long as the Mortgage Deed secures any amounts owed by You to Us:

20.2 You must:

- (a) inform Us as soon as possible if there are any changes to the information which You provided to Us in Your application or otherwise (including changes to Your personal circumstances or the Security);
- (b) put and keep the Property, and all utilities on the Property, in good and substantial repair and condition;
- (c) ensure that any building or improvement work is properly carried out in accordance with all applicable building and planning laws and regulations and that You obtain all necessary consents and notify Us immediately on receipt of any notices alleging breach;
- (d) if You do need to apply for building or planning permissions, obtain Our prior consent in writing and give Us notice of any permission granted within seven working days of You receiving it;
- (e) comply with all legislation, conditions, restrictions, obligations and covenants affecting the Property, its use or its owner or occupier;
- (f) occupy the whole of the Property as Your main residence (unless the Mortgage Offer Letter provides that the Property may be let or You later let the Property with Our prior consent in writing);
- (g) prior to completion obtain all necessary licences, consents and/or approvals (including but not limited to, planning permission and building regulations),

necessary for the immediate occupation of the Property in accordance with these Conditions;

- (h) obtain Our prior consent in writing if You wish to let the Property, and inform Us and Your insurer when it is let;
- (i) promptly pay all rents, rates, taxes and other payments which are the responsibility of the owner or occupier of the Property. If You do not pay any rate, tax or other payment and We, or any Receiver, pay them, the amount paid will be added to the Loan Amount;
- (j) if You receive a notice which affects the Security or which might reasonably be regarded as relevant to Our interest as lender:
  - (i) send Us a copy of the notice within seven calendar days' of receiving it;
  - (ii) take reasonable steps to comply with the terms of the notice if it is valid or, if We ask You to, make or support Our objections relating to the notice or any appeal We make against it; and
  - (iii) make any reasonable representations about the notice which We ask You to make. if You fail to take such action or fail to take such action within a reasonable period We will be entitled to take any action which it is reasonable for Us to take to protect Our Security at Your expense;
  - (iv) if You receive any compensation as a result of any notice referred to in (j), You must notify Us and, if We require, pay that compensation to Us to reduce the Loan Amount;
- (k) ensure that nothing is done which may:
  - (i) damage the structure or adversely affect the condition of the Property; and
  - (ii) reduce the value of the Security;
- (l) if You acquire a new or increased interest in the Property (e.g. an extended leasehold or the freehold of the Property, or an interest in the freehold of any building which includes the Property):
  - (i) notify Us immediately in writing of Your receiving the title deeds for the new or increased interest and, if We request it, deliver such title deeds to Us;
  - (ii) if We request it, grant Us a first charge legal mortgage over the new or increased interest: the mortgage deed must be in a form approved by Us and will be completed at Your expense; and
  - (iii) observe and perform all of the obligations imposed on You as a result of Your new or increased interest in the Property; and
- (m) if You are sent any of the title deeds to the Property:
  - (i) notify Us immediately in writing of Your receiving the title deeds;
  - (ii) store them in a safe and secure place; and

- (iii) send them to Us at Your own risk by first class post within seven calendar days' of any written request for them from Us.

*In addition, where Your interest in the Property is a leasehold*

- (n) observe, perform and comply with all Your obligations under the leasehold and not do anything to forfeit or allow termination of the leasehold and to take any steps which are reasonable to ensure the landlord complies with its, his or her obligations under the leasehold;
- (o) comply with the rules of any management company or residents' association;
- (p) as soon as reasonably practicable, inform Us in writing if You receive any notice of breach of Your obligations from Your landlord. If You fail to remedy the breach We may do so on Your behalf, any costs and expenses We incur in doing so will be added to the Loan Amount and interest will be charged on this amount;
- (q) if as a result of Your interest in the Property, You hold a share or shares in a management company or residents' association or similar body at Our request You must send Us any share certificate You may receive together with a signed share transfer form with the name of the transferee left blank. We will be entitled to transfer the share to any person to whom the Property has been sold under Our power of sale. If We receive money as a result of the share transfer, We will use that money as if it were part of the proceeds of sale of the Property; and
- (r) where the Property is new, converted or less than 10 years old the Property must have the benefit of a home warranty indemnity insurance scheme acceptable to Us (for example NHBC) and the relevant policy and certificate must be provided to Us or Our solicitor before the completion date.

20.3 You must not do any of the following without first getting Our consent in writing (and all other necessary consents):

- (a) carry out (or allow anybody else to carry out) any structural alterations or additions to the Property or demolish all or any part of the Property;
- (b) change the use of the Property;
- (c) lease or agree to lease the Property;
- (d) create any other security over all or part of the Security or enter into any transaction which, in Our reasonable opinion, has a similar effect to creating security over the Security; and
- (e) sell, give away, share or otherwise give up possession of the whole or part of the Property.

*In addition, where Your interest in the Property is a leasehold*

- (f) if You hold the Property under a leasehold, You must not do any of the following without first getting Our consent in writing (and all other necessary consents):
  - (i) surrender the leasehold;
  - (ii) give notice to terminate the leasehold; or

(iii) agree to any changes in the terms of the leasehold.

20.4 You agree to execute any document and do anything else which We reasonably think is needed to:

- (a) make good or preserve Your title to the Property or Our rights in relation to the Property or under the Mortgage Documents;
- (b) enable any of Our rights, remedies and powers under the Mortgage Documents to be effectively exercised, enforced or defended;
- (c) receive any money due to You in connection with the Security;
- (d) make sure that the Loan Amount is paid to Us;
- (e) use any money received by You or Your Solicitor to reduce or pay off the Loan Amount (except where Condition 25.6 provides otherwise);
- (f) allow the following to be assigned, transferred or otherwise disposed of to a purchaser, assignee or transferee:
  - (i) the Security;
  - (ii) any Mortgage Document; or
  - (iii) any interest in either of them;
- (g) bring or defend any legal proceedings which We reasonably think are needed for any of the purposes in this Condition.

20.5 If You let the Property with Our consent under Condition 20.3(c) then You have the following additional obligations with respect to the Lease. You must:

- (a) comply with all the landlord's obligations under the Lease;
- (b) do all You can to make sure that the tenant and any other party to the Lease (e.g. a management company) comply with their obligations under it;
- (c) make sure that the Property is properly protected against:
  - (i) damage or deterioration from the weather; and
  - (ii) vandalism and malicious damage;
- (d) if asked, You will supply Us with the following:
  - (i) details of any persons who are using or occupying the Property from time to time;
  - (ii) information about the basis on which they are entitled to use or occupy the Property;
  - (iii) certified copies of any documents under which they claim to be entitled to use or occupy the Property; and
  - (iv) any other information or documents which We require concerning the Property, or the way it is used, or any building works being carried on there;
- (e) a reasonable time before any opportunity arises for a review of the rent payable under the Lease, get written advice from a Valuer as to whether the market rent at the date of the review is likely to be higher than the rent currently payable under the Lease;

- (f) provide Us with a copy of the Valuer's advice;
- (g) if the Valuer advises that the market rent at the date of the review is likely to be higher than the current rent, You will promptly take all steps which are open to You under the Lease to ensure that the review takes place and leads to the maximum increase in the rent which can reasonably be achieved; and
- (h) notify Us promptly of the result of the review.

20.6 You also have the following additional obligations with respect to the Lease. You must not without first getting Our prior consent in writing (and all other necessary consents):

- (a) grant a new or extended Lease of the Property (except where the tenant has a legal right to be granted a new or extended Lease);
- (b) agree to any change in the terms of the Lease;
- (c) forfeit the Lease;
- (d) agree to any restrictive covenants or obligations being imposed on the Property; or
- (e) apply for an improvement grant or other similar grant for the Property.

## **21 Costs You are responsible for**

21.1 You will pay all reasonable costs or losses (including but not limited to legal, security, stamp and similar taxes and charges and registration costs) incurred or charged by Us as a result of or in connection with:

- (a) with the exercise of Our rights under the Mortgage Documents or as required by law;
- (b) any failure by You to comply with Your Obligations; and
- (c) the occurrence of any Event of Default; unless these costs arise as a result of Our fraud, gross negligence or wilful default.

21.2 We may ask You to pay Us the amount of any reasonable costs or losses which We expect to incur before We have incurred them. We will notify You of any amount due and when it should be paid by.

21.3 If You choose to take out a policy of life assurance to repay Your Mortgage in case You die before the end of the Term, it is Your responsibility to ensure the policy is for a sufficient amount and is kept in force while You owe Us money.

21.4 Any costs incurred under Condition 21 may be deducted from Your Mortgage Account or any current or savings account You hold with Us (subject to the terms and conditions of that account).

## **22 Costs We are responsible for**

22.1 We will have no responsibility for any costs or losses sustained by You as a result of the exercise by Us of any of Our rights under the Mortgage Documents or as required by law except in the case of Our fraud, gross negligence or wilful default.

- 22.2 We will not be responsible for any monies owed to Us which We do not actually receive from You.
- 22.3 Under no circumstances will We be responsible as a mortgagee in possession.

## **Part 6 – The Property**

### **23 Title**

- 23.1 Unless otherwise stated in the Mortgage Offer Letter, title to the Property must be vested in Your name or, where there is more than one of You, in the names of all of You.
- 23.2 The title to the Property must be acceptable to Us and the Property must enjoy the benefit of adequate access, rights of way, services and the appropriate utilities. If the Property is leasehold, the leasehold must contain appropriate arrangements for repair of the roof, walls and of the shared and common parts of the building and services.
- 23.3 Unless We agree otherwise, if the Loan Amount is to be used for the purposes of a re-mortgage You must have been the registered proprietor (owner) of the Property for at least six months prior to Drawdown.
- 23.4 You must notify Us if You, or any predecessor in title acquired the Property within six years of the date that You accept the Mortgage Offer, for anything less than the then full market value.

### **24 Valuation**

- 24.1 We may commission, at Your expense, a Valuation Report to support Our lending decision. The Valuation Report is purely for Our use (even if You or someone else receives a copy) and may be unsuitable for use by You. Neither We, nor the Valuer, accept any responsibility to You or other parties in connection with the Valuation Report. We recommend that You consider commissioning a separate survey which will provide You with an assessment of the Property before making any decision.
- 24.2 We may, at Our option, disclose or discuss the whole or part of the Valuation Report with You or Your Solicitor, and/or instruct the Valuer to provide a copy of the Valuation Report directly to You or Your Solicitor so that You can be aware of the report. This does not mean that We or the Valuer intend that You may rely upon it in any way or that if We disclose any matter(s), that they are the only matters in the Valuation Report.

### **25 Insurance**

- 25.1 Subject to Condition 25.2, You must insure the Property until You have repaid the Loan Amount unless We expressly agree otherwise in writing. The insurance must be for the full reinstatement cost of the Property and under a comprehensive policy.
- 25.2 If the Property is leasehold, and the terms of the leasehold require Your landlord to insure the Property, and keep it insured on the same basis as Condition 25.1 You are not required to take out Your own insurance.
- 25.3 You must:

- (a) comply with all terms of the insurance policy and make any payments as they fall due;
  - (b) make sure that Our interest in the Property is noted on the insurance policy;
  - (c) not do anything at the Property which would enable the insurer to avoid its responsibility for insurance of the Property, increase the cost of insurance or otherwise result in the insurer being in a position to cancel or refuse to satisfy a claim made under the insurance policy; and
  - (d) if Condition 25.2 applies, do Your best to ensure that insurance is in force and it meets Our requirements under this Condition. If the landlord does not insure the Property on such terms, You must inform Us and put in place such insurance cover as We may reasonably require.
- 25.4 You must send Us the following on request:
- (a) any insurance policy which concerns the Property; and
  - (b) receipts for the premiums paid under the insurance policy.
- 25.5 If You fail to insure the Property We may (but shall not be obliged to) insure it and recover the cost We incur in doing so from You by adding it to Your Mortgage Account.
- 25.6 You will promptly tell Us about any insurance claim and in the event of an insurance claim being made in respect of the Property We reserve the right to approve the terms of any settlement You reach with the insurer. You must use the settlement money to either:
- (a) reinstate the Property; or
  - (b) pay all or part of the Loan Amount.
- 25.7 If You decide to use the money to reinstate the Property We are entitled to hold the money whilst the repairs or rebuilding are being carried out and release the money by stage payments as the repairs or rebuilding progress. If the money is not sufficient to pay for the repairs or rebuilding in full We will not be obliged to lend any more funds. If You use the money to pay off the Loan Amount and there is a surplus after the Loan Amount has been paid, We may forward the surplus to any other person entitled to receive it. If the money is not sufficient to pay the Loan Amount in full We may take action to recover the shortfall.

## **Part 7 – The Security**

### **26 The Property as security**

- 26.1 As per Condition 2.2(a), the Property is security for Us under the Mortgage and You must execute the Mortgage Deed in Our favour over the Property.
- 26.2 In taking security over the Property We must be satisfied that there are no third party rights or interests over the Property that would adversely affect Us.
- 26.3 Although We are taking security over the Property, We give no assurances whatsoever in respect of it, for example, about the Property being free from defects or worth a particular amount. You must satisfy Yourself on these matters.
- 26.4 The Mortgage Deed is continuing security. This means that the Mortgage Deed will continue to apply even after You pay all or part of the amount owed under the Mortgage Documents. It will end only when We release the Security from the Mortgage Deed. You will need to send a request to Us in writing to release the Mortgage Deed over the Security once you have repaid the Loan Amount.

- 26.5 Section 93 of the Law of Property Act 1925, which restricts the right to consolidate (add together) mortgages, does not apply to the Mortgage Deed.
- 26.6 If the Property, or any part of it, is or becomes registered under the Land Registration Act 2002 no person can be registered as the proprietor without Our agreement in writing and We will apply to enter on the register the restrictions set out in the Mortgage Deed.

## **27 Opening new accounts**

- 27.1 If We receive notice that any security has been created (which We have not permitted) over any of the Security then it will be treated as if We have immediately opened a new account for You. All payments received by Us from You will be treated as if they had been paid into the new account and will not reduce the amount You owe to Us.

## **28 Power of attorney**

- 28.1 You appoint Us and (as a separate appointment) any Receiver to be Your attorney and to do the following things in Your name and on Your behalf:
- (a) execute any document which You must execute under the Mortgage Documents or which is needed for any of the purposes listed in Condition 20.4; and
  - (b) do any other thing which You must do under the Mortgage Documents or which is needed for any of the purposes listed in Condition 20.4.
- 28.2 You cannot revoke the power of attorney in this Condition until the Loan Amount has been paid off in full.
- 28.3 If there is more than one of You, the power of attorney contained in this Condition allows Us, and any Receiver, to act for all of You together and each of You separately.

## **29 Default**

- 29.1 Each of the following events will be an Event of Default:
- (a) You are more than one month late in paying any Monthly Payment or any other sum is not paid when due unless We have agreed otherwise;
  - (b) You fail to repay the Loan Amount by the end of the Term;
  - (c) You materially breach any term of the Mortgage Documents and either You fail to remedy the breach within 14 calendar days after We give You notice to do so or We reasonably think that the breach is not capable of being remedied;
  - (d) any information provided to Us by You or on Your behalf is or becomes incomplete, wrong or materially misleading;
  - (e) any Mortgage Deed is or becomes wholly or partially void, invalid or unenforceable;
  - (f) there is a failure to complete any of the legal formalities relating to any Mortgage Deed or Lease relating to the Property (for example, registration of the Mortgage Deed at the Land Registry);
  - (g) a bankruptcy order is made against You or You enter into a voluntary arrangement, deed of arrangement or other arrangement with Your creditors;



- (h) where the Property is held as a leasehold, Your landlord gives You a statutory notice specifying a breach of any obligation or condition in the leasehold and, if the notice requires You to remedy the breach, You fail to remedy it within a reasonable time;
  - (i) a court judgment is made against You and remains unsatisfied for a period of 28 calendar days or more or a court makes an order against You which, in Our reasonable opinion, is materially detrimental to You or Your ability to meet any of Your Obligations to Us (including repayment obligations); and
  - (j) the Property or any part of it is compulsorily purchased or requisitioned.
- 29.2 You will inform Us immediately of the occurrence of any Event of Default.
- 29.3 If an Event of Default occurs, We may, by notice to You:
- (a) declare the Loan Amount immediately repayable by You to Us and You must immediately comply with any demand We make on You to repay the Loan Amount; and
  - (b) exercise any or all of Our rights, remedies, powers and discretions under the Mortgage Documents including taking action under the Mortgage Deed which may include court proceedings.
- 29.4 You will be responsible for any reasonable costs and expenses incurred by Us, or any Receiver, in enforcing or exercising Our rights under the Mortgage Documents.

### **30 Illegality**

- 30.1 If, in Our reasonable opinion, it is or will become illegal for Us to make available or continue to make available the Mortgage We will give notice to You and You must repay the Loan Amount on the date specified by Us.

### **31 Our enforcement rights**

- 31.1 This Condition applies at any time after:
- (a) an Event of Default has occurred under the Mortgage Documents; and
  - (b) We have written to You demanding payment of the Loan Amount.
- 31.2 We can appoint a Receiver under this Condition or if You ask Us to.
- 31.3 We or a Receiver may do any of the following without notice:
- (a) enforce Our rights to the Security;
  - (b) take possession of the Property;
  - (c) sell the Property;
  - (d) in connection with any dispute, make any arrangement in Your name for settlement or start any proceedings relating to the Security;
  - (e) exercise the other enforcement powers which We have under the Law of Property Act 1925; if We, or a Receiver, do any of these things, interest will continue to be charged on any outstanding Loan Amount, until it is repaid in full.
- 31.4 You will provide Us, or the Receiver, with any information and assistance which We reasonably require to exercise Our rights under this Condition.
- 31.5 We or a Receiver may commission, at Your expense, a Valuation Report. You must cooperate with the Valuer in the preparation of their report, including supplying them

with information and allowing them access to the Property as they may reasonably require.

31.6 We or a Receiver have the right to enter the Property at any reasonable time after reasonable notice (or at any time in an emergency):

- (a) to inspect the Property; or
- (b) at Your expense, to carry out any work which is needed to put right any failure of Yours to comply with Your Obligations; and
- (c) entering the Property under this Condition will not mean that We, or a Receiver, have assumed the legal responsibilities of a mortgagee (the lender in a mortgage) in possession.

31.7 Our power of sale arises on the date of the Mortgage Deed and is free from the restrictions in section 103 of the Law of Property Act 1925. We, or a Receiver, will only exercise Our power of sale if this Condition applies.

31.8 Our powers under the Law of Property Act 1925 and under the general law are extended to allow Us or a Receiver to do any of the following:

- (a) repair or improve the Property;
- (b) carry out building work at the Property and apply for any planning permission or other consents which are needed to do so;
- (c) do, or omit to do, on Your behalf, anything which You could have done, or omitted to do, if the Property was not the subject of the Mortgage Deed;
- (d) grant, take, continue or surrender any Leases, tenancies or licences of the property free from the restrictions in section 99 of the Law of Property Act 1925. We can also use any income from taking any of these actions towards paying off the Loan Amount;
- (e) if the Property is let:
  - (i) provide any facilities and services for tenants, and generally manage the Property;
  - (ii) bring the Lease to an end;
  - (iii) agree with the tenant to change the terms of the Lease;
  - (iv) accept a surrender of the Lease, free from the restrictions in section 100 of the Law of Property Act 1925; and
  - (v) collect any rent being paid by the tenant and use it towards paying off the Loan Amount.
- (f) acquire any other interest directly or indirectly benefiting the Property; and
- (g) grant easements over any land You own, whether within the same title as the Property or in some other title, that are reasonably necessary for the enjoyment of the Property.

31.9 In addition, if We or a Receiver take possession of the Property then We or the Receiver may remove, store, sell or otherwise deal with any goods at the Property. Neither We nor the Receiver will be responsible for any loss or damage caused by Us doing this unless We or the Receiver fail to take reasonable care, nor will Our doing this give Us any legal charge over any goods at the Property.

- 31.10 In taking possession, exercising Our enforcement powers or selling the Property We and the Receiver can employ and pay persons to carry out any work or activity on Our behalf.
- 31.11 Any money We or the Receiver recover or receive pursuant to the Mortgage Deed will be used in the following order:
- (a) first, to pay any receiver's costs, charges, expenses and fees;
  - (b) second, to pay all of Our costs, charges and expenses;
  - (c) third, to pay off the amount owed by You and secured by the Mortgage Deed; and
  - (d) fourth, if any amount is left, to pay the person entitled to it.

## **32 Appointing a Receiver**

- 32.1 If We appoint a Receiver:
- (a) the Receiver will act as Your agent and may act in Your name;
  - (b) the Receiver will not have to use the money he receives to pay off interest before the Loan Amount, or otherwise have to pay off the Loan Amount in any particular order;
  - (c) the Receiver may borrow money from Us or others and may also use the Property as security for any such borrowers or for other purposes in connection with the receivership;
  - (d) we may from time to time determine the pay of the Receiver;
  - (e) the Receiver may exercise any of Our powers of enforcement (including any extended powers which We would be entitled to exercise under Condition 31); and
  - (f) the Receiver can exercise all the powers provided under the Law of Property Act 1925 in the same way as if he had been appointed under that act.

## **Part 8 – General provisions**

### **33 Joint mortgages**

- 33.1 If there is more than one of You, the terms of the Mortgage Documents apply to all of You together and to each of You individually. If there are more than two of You, the terms of the Mortgage Documents also apply to any combination of You. If Your relationship with each other ends, You must ensure that You continue to comply with the Mortgage Documents.
- 33.2 Further, if there are more than one of You:
- (a) each of You is responsible for repaying the full Loan Amount and not just a part of it;
  - (b) each of You is responsible for complying with the terms of the Mortgage Documents and if any of You fail to comply We may enforce the Mortgage Documents against all or any of You;
  - (c) We may accept instructions from any of You;
  - (d) notice to one of You will constitute notice to all of You;
  - (e) We will send statements to each of You unless You ask Us not to; and

- (f) We may set off against joint accounts which You hold with Us as well as Your sole accounts.

### **34 Assignment**

- 34.1 You will not assign, transfer or otherwise dispose of any of Your rights and/or obligations under the Mortgage Documents without first getting Our consent in writing.
- 34.2 We may at any time assign, transfer or otherwise dispose of any of Our rights and/or obligations in respect of Your Mortgage to another person in whole or in part, without any further agreement from You, but such a transfer will not reduce Your rights under the Mortgage Documents.
- 34.3 If We transfer Our right to change the Cynergy Bank Variable Rate in accordance with Condition 15, the transferee will be entitled to change the Cynergy Bank Variable Rate not only for the reasons set out in Condition 15 (where references to 'Us' or any derivation are read to refer to the transferee), but also to ensure that the transferee is able to meet any of its obligations to third parties.
- 34.4 If We transfer any of Our obligations under Condition 34 You will be able to enforce the transferred obligations against the transferee in the same way that You could enforce them against Us before the transfer; and We will be released from any further responsibility to perform the transferred obligations.
- 34.5 We will only transfer Our rights and/or obligations under Condition 34.2 if the transferee agrees to exercise the transferred rights and/or perform the transferred obligations in accordance with a statement of policy which We approve before the transfer; and We reasonably think that the policy described in the statement is no less favourable to You than the policy We were following before the transfer.
- 34.6 You authorise Us to disclose Your Customer Information and other information about You and Your Mortgage to the person (or potential person) We assign, transfer or otherwise dispose of Our rights and/or obligations under the Mortgage Documents to.

### **35 Right to vary**

- 35.1 We may vary these Conditions; however, We will only do so for reasons set out in Condition 35.2 and We will always give You notice except in the circumstances set out in Condition 35.4.
- 35.2 We may make changes to these Conditions:
  - (a) to reflect or in anticipation of the requirements of any new laws, regulations or requirements or any changes in or in the interpretation of these;
  - (b) to reflect or in anticipation of the requirements of any new code of practice, recommendation, guideline, requirement or decision by any Authority and any changes in or in the interpretation of these;
  - (c) to reflect or in anticipation of any changes to the way that We provide Our mortgage service to You;
  - (d) to reflect or in anticipation of any changes in market conditions or the overall cost of providing Your Mortgage;
  - (e) to reflect or in anticipation of any changes in technology or to cover a development or change in Our products or services;
  - (f) to correct mistakes; and
  - (g) to make them easier to understand or fairer to You.

- 35.3 We will give You notice of the change in accordance with Condition 36.
- 35.4 If the change is to Your advantage We may make it immediately, provided We shall notify You of the change, and provide any relevant details in respect thereof, within 30 Working Days of making such change.
- 35.5 If the change is not to Your advantage We will give You at least 30 Working Days' notice. For a period of 60 Working Days after that notice has been given You may repay Your Mortgage without paying any Early Repayment Charge that would otherwise apply.
- 35.6 The provisions of this Condition will not impact on the provisions of Conditions 15, 16, 17 or 19.

### **36 Getting in touch with each other**

- 36.1 Any notice, request, demand for payment or other demand We make under the Mortgage, or any other information We give You in relation to this Mortgage may be made by any manager, officer, solicitor or other legal representative of Ours. We will give that notice by any one or more of the following methods:
- (a) writing to You using the last contact address We hold for You;
  - (b) by electronic communication, such as e-mail (if You have agreed to being contacted in this way) using the last e-mail address You gave Us; and
  - (c) posting a message within the secure area of Your online account.
- 36.2 You agree to tell Us of any changes to Your postal and e-mail address and Your phone numbers. If You give Us more than one such address or number We can send or deliver the demand, request or notice to any one of the addresses or numbers You give Us.
- 36.3 A notice given under Conditions 15, 16, 17, 19 or 35 may be given either in accordance with Condition 36.1 or by:
- (a) a message on Our Website;
  - (b) placing a notice in Our branches and principal office; or (c) placing an advertisement in two national newspapers.
- 36.4 Any notice, request or demand will be considered to have been delivered to You as follows:
- (a) if delivered by hand, when left at Your address;
  - (b) if sent by post, on the second Working Day after the day it was sent (even if it is not actually delivered or is delivered to the wrong address or returned undelivered);
  - (c) if given or made by electronic communication and sent during normal working hours, at the time of transmission;
  - (d) if given or made by electronic communication and sent outside normal working hours, at 09.00 London time on the next Working Day; or
  - (e) if delivered by one of the methods in Condition 36.3, by the first day on which the message, notice or advertisement is placed.
- 36.5 For the purposes of Condition 36.4, normal working hours means 09.00 to 17.00 London time.
- 36.6 All notices that You make or serve on Us with regard to any Mortgage must be in writing,

delivered personally or by first class post to the address set out in Your Mortgage Offer Letter, or, if different, the most recent address We have notified You of since the Mortgage Offer Letter was issued.

- 36.7 We will accept instructions from You in relation to Your Mortgage Account, by telephone or in writing. If You communicate with Us by telephone, You may be required to complete certain security procedures. If You communicate with Us by e-mail this must follow from a telephone call where You have completed certain security procedures. We will notify You of any security procedures applicable to Your Mortgage Account. Any security procedures, codes or identifiers must be kept secret, and You must take care to ensure that they are not used fraudulently. If You communicate with Us in writing, this must be signed by You. You agree that We may act on such written instructions as appear to Us to be genuine.
- 36.8 We may refuse to execute an instruction if We have reason to doubt its authenticity, or if to do so would breach any applicable law, regulation or guidance.

### **37 Confidentiality**

- 37.1 We will not disclose Customer Information to anyone other than where:
- (a) We are legally required or have a public duty to disclose;
  - (b) Our, or a third party's, legitimate business purposes require disclosure;
  - (c) the disclosure is made with Your consent; or
  - (d) it is otherwise disclosed as set out in this Condition.
- 37.2 Cynergy Bank may collect, use and share Customer Information (including information about You, Your Mortgage, Your use of Our products and services and Your relationship with Us). Customer Information may be:
- (a) requested by the Bank of Cyprus Group and obtained on their behalf where we have a contractual requirement to do so following Our separation from the Bank of Cyprus Group ;
  - (b) collected from You directly (including via Our Website), from someone acting on Your behalf, or from elsewhere e.g. credit reference agencies;
  - (c) managed as a record of all Your correspondence with Us and/or all Your transactions (including those made via Our online banking service); and
  - (d) combined with other information available to Cynergy Bank.
- 37.3 We will use, process, transfer and disclose Customer Information:
- (a) to provide You with Your Loan Amount and to collect any money You owe Us;
  - (b) to meet Our Compliance Obligations;
  - (c) to perform credit checks and obtain or provide credit references;
  - (d) to enforce or defend the rights of Cynergy Bank;
  - (e) for the internal operations of Cynergy Bank;
  - (f) to manage Our relationship with You (including marketing and marketing research if You agree to them); and

(g) for verifying Your identity.

37.4 When We use Customer Information, We may transfer and disclose it as follows to:

- (a) other companies in the Bank of Cyprus Group where we have a contractual requirement to do so following Our separation from the Bank of Cyprus Group and anybody who provides services to Us or acts on Our behalf;
- (b) other companies in the Cynergy Bank Group;
- (c) any Authorities either in response to their requests, in connection with Our Compliance Obligations or where We reasonably suspect financial crime;
- (d) persons acting on Your behalf (including Your Solicitor, payment recipients and intermediaries);
- (e) credit reference agencies and fraud prevention agencies;
- (f) other financial institutions, VISA and debt recovery agents;
- (g) any third parties in connection with any sale or acquisition of the Cynergy Bank; and
- (h) third parties for marketing purposes where You have consented to marketing.

37.5 Credit reference agencies and fraud prevention agencies record details which will form part of Your credit history regardless of whether You proceed with Your application. If You make several mortgage applications within a short period of time this may temporarily affect Your ability to obtain further credit. If You make a joint application an association linking Your financial records with those of the other joint application(s) will be created by credit reference agencies. The credit history of the other applicant may be taken into consideration in any future application for credit. If We make demand for repayment of a debt and You do not repay the amount owing, or do not make and keep to acceptable repayment proposals We may share this information with such persons. This may affect Your ability to obtain further credit.

37.6 You may make a written request for a copy of certain personal records We hold about You. The current fee is £10 per request for each individual.

## **38 Miscellaneous**

38.1 Each condition, paragraph and subparagraph in these Conditions is separate from the others. If any condition, paragraph or subparagraph becomes illegal, invalid or unenforceable this will not stop You or Us from enforcing any other condition, paragraph or subparagraph.

38.2 Your Obligations will not be discharged or affected by:

- (a) any variation, extension, compromise, dealing with, exchange or renewal of any right or remedy which We may have now or after the date of the Mortgage Deed;
- (b) any delay by Us in enforcing any of Our rights or remedies;
- (c) any security You provide Us; or
- (d) any waiver, consent or concession granted by Us to You of Your Obligations.

38.3 All variations, waivers, consents and approvals by Us will have effect only if made in writing.

- 38.4 Any certificate of Ours for any amount due from You under the terms of the Mortgage Offer Letter will be binding and conclusive evidence of such amount except where it contains an obvious error or errors.
- 38.5 We will not be responsible for any breach of these Conditions caused by circumstances beyond Our reasonable control.
- 38.6 If You ask for Our consent under these Conditions:
- (a) We will only refuse Our consent if it is reasonable to refuse it with the exception of Conditions 20.3(d) and 34.1;
  - (b) if We give Our consent to the Property being let or used for any purpose other than for Your residence, We may impose conditions on Our consent (which will be similar to the conditions We apply to new mortgages which are to be let or used for the same purpose);
  - (c) We may impose other conditions on Our consent in addition to or instead of any imposed under Condition 38.6(b) if it is reasonable to impose conditions and the conditions are reasonable;
  - (d) You agree to comply with any conditions We impose under Conditions 38.6(b) or (c).
- 38.7 Oral representations and agreements are not binding on You or Us. All terms and conditions forming part of the agreement You have with Us must be in writing.
- 38.8 Unless a term in the Mortgage Documents provides otherwise a person who is not a party to the Mortgage Documents will have no rights to enforce any of their terms (whether by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise).

### **39 Governing law**

These Conditions will be governed by the laws of England & Wales, and You and We both agree to submit to the non-exclusive jurisdiction of the English courts.