

Professional Mortgage Conditions 2013 (v1)

(England & Wales)

Includes Buy to Let Conditions



Please keep these mortgage conditions and any other documents relating to your mortgage in a safe place in case you need to refer to them in the future.

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Understanding Your Mortgage

This document contains terms and conditions which apply to your mortgage. Other terms which apply to your mortgage are set out in the mortgage offer, the mortgage deed, the application form, our tariff of fees and any other document you sign in connection with the mortgage which expressly provides that it contains conditions that you are legally bound by. As these documents contain the conditions on which we are contractually prepared to lend any money to you secured on your property, it is important that you read them carefully and make sure that you fully understand them as you will be legally bound by them once you accept the mortgage offer.

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

If you do not understand or are unsure of the meaning of any part of this document, or any of the other documents we provide in relation to your mortgage, you must ask your legal adviser to explain them to you. You must be satisfied that you understand all parts of the documents before you proceed.

These mortgage conditions are split into 2 parts:

- Part 1 - **GENERAL MORTGAGE CONDITIONS** contains conditions which apply to your mortgage generally.
- Part 2 - **BUY TO LET CONDITIONS** contains further conditions which apply only where your mortgage is a buy to let mortgage.

Purpose of this introductory section

This introduction provides a summary of the main features of your mortgage to help you understand our rights and your obligations. It does not replace or override the conditions in Parts 1 and 2 of these mortgage conditions. You must still read all of the conditions.

Your obligations

- You must make your monthly mortgage payments on time.
- You must make sure the property is adequately insured against loss and damage at all times. This means, amongst other things, that you must pay the property insurance premiums on time.
- You must keep the property in a state of good repair at all times.
- You must get our permission before altering or extending the property or changing how it is used.
- You must keep to any restrictions mentioned in the property's title deeds (including the lease, where applicable), and any planning laws and restrictions that apply to the property.
- Unless you have a buy to let mortgage, you must get our permission before letting the property or any part of it.
- When you sell the property, you must repay all the money you owe us under the mortgage.

Our rights

- As mentioned above, it is your responsibility to insure the property at your own expense. We may ask you at any time to provide evidence and details of insurance cover. We may insure the property (at your expense) if you do not adequately insure it yourself.
- If you fail to keep the property in good repair, we may carry out repairs and pass on the cost to you.
- If you do not meet your material obligations under the mortgage, we may sell the property and/or ask a court for possession of the property. If we have to sell the property, we will sell it for the best price we can reasonably achieve.
- If the property is sold for less than the amount you owe us then we can recover the outstanding amount owing from you.
- **We are able to transfer the mortgage to a third party. This is detailed in condition 27.**
- **We can change the interest rate, fees and expenses and the terms of these conditions. The circumstances under which we can do so and details of how we would notify you are set out in conditions 8, 9, 10, 13, 21.5 and 30.6.**
- **We have the right of set off in relation to your mortgage. This means that we can offset what you owe us under the mortgage against other monies or security that you hold with us. Details are set out in condition 14.**

If you have a joint mortgage

- If there is more than one of you named in the mortgage deed as borrowers, you are each responsible for making sure that payments are made in full and we can recover all payments in full from any one of you individually.
- It is important that every person named in the mortgage deed reads these conditions because they apply equally to all of you.
- You are responsible for ensuring that the mortgage can be repaid in the event that both or all of you die. We strongly recommend that adequate life insurance cover is arranged to cover this eventuality.

If you have an interest only mortgage

- Unlike a repayment mortgage, an interest only mortgage means that you only pay the interest on the amount owed under the mortgage each month; you are not paying off the capital amount you borrowed from us. This means that, at the end of the mortgage term, you will still owe us this capital amount.
- It is a condition of your mortgage (condition 5.7) and very important that you have a credible repayment strategy in place to repay the capital amount owed to us in full at the end of the mortgage term. You should check your repayment strategy regularly to ensure that it continues to be suitable for that purpose.
- If you cannot pay the capital amount owed at the end of the mortgage term, either you or we will have to sell the property. If it sells for less than the amount you owe us, we can recover the outstanding amount owing from you.

Other points

- You can ask us if you want to borrow more money, for example, for improvements, once you have had the mortgage with us for six months, but we are not obliged to say yes.
- You can repay the money you owe us under the mortgage at any time. With certain types of mortgage, you may be required to pay us an extra charge if you repay early. This is called an early repayment charge. Details are set out in your mortgage offer.
- Unless the interest rate is fixed on your mortgage, the interest rate can go up as well as down, so you could end up paying us more each month if interest rates go up. If you have a fixed interest rate you are only protected from interest rate fluctuations during the period in which your rate is fixed. After this time, the reversionary rate set out in your mortgage offer will apply.
- The mortgage deed secures all of the money you owe us under the mortgage whether now or in the future. This includes interest and our reasonable fees and expenses.

Part 1 – General Mortgage Conditions

1 Definitions

In these **conditions**, a number of words and phrases are printed in bold type because they have a special meaning. The meaning of those words and phrases is explained here:

amount owed	the total of the money which you owe us from time to time under the mortgage including: <ul style="list-style-type: none">a) the loan; andb) any unpaid interest, fees and expenses;
application form	our home loan or buy to let mortgage application and declaration completed by you or on your behalf at the time of applying for the mortgage and subsequently our application, for the purpose of any further advance , porting or transfer of equity;
associated company	any company which is: <ul style="list-style-type: none">a) a subsidiary of ours;b) our holding company; orc) a subsidiary of our holding company, and 'holding company' and 'subsidiary' have the same meanings as they do in section 1159 of the Companies Act 2006;
base rate	means: <ul style="list-style-type: none">a) the base rate set by the Bank of England; orb) any replacement rate under condition 10.4;
British Bankers' Association	the British Bankers' Association, or any successor body that is responsible for compiling and distributing the LIBOR rate from time to time;
buy to let	a mortgage that permits you to let your property out to a third party in accordance with the requirements of these conditions and the mortgage offer ;
conditions	the mortgage conditions that are set out in this document;
completion	the date on which we send any loan by electronic transfer to your legal adviser;
expense(s)	all reasonable costs, fees and expenses which we (or the receiver) reasonably incur in connection with the mortgage . These include (but are not limited to) costs and expenses which we pay: <ul style="list-style-type: none">a) recovering all or part of the amount owed;b) bringing or defending legal proceedings relating to the amount owed or the property (this applies whether or not you are a party to the proceedings);c) protecting or preserving the property;d) remedying any breach by you of any of your obligations under the mortgage;e) insuring the property under condition 17.2;f) protecting our rights under the mortgage;g) exercising any of our rights under the mortgage; which includes costs and expenses that we have to pay to third parties;
fee(s)	our administration fees set out in our tariff of fees from time to time;
further advance	any further loan which we make after the initial loan on the security of the property , as detailed in a mortgage offer ;
initial loan	the initial advance of money which we make to you on the security of the property , as detailed in a mortgage offer , including any fees added to the loan under the mortgage offer ;
interest only mortgage	the loan or that part of a loan where each monthly payment does not include a repayment of the capital part of the amount owed . Instead, that monthly payment includes a payment towards the interest which you must pay on the capital amount you borrow;

interest rate	the rate or rates of interest shown in the mortgage offer which we charge on the amount owed from time to time as calculated in accordance with these conditions . The rate of interest may change under conditions 8, 9, 10 or 21.5. Different rates may apply to separate parts of the loan ;
Investec, we, us and our	Investec Bank plc and any person who at any time in the future is entitled to exercise any of the rights under the mortgage including: <ul style="list-style-type: none"> a) any transferee; b) anyone who is entitled to exercise our rights because of an amalgamation or takeover; and c) anyone who is entitled to exercise our rights because of a reorganisation of our group;
loan	the initial loan and any further advance . If a loan is paid to you in instalments or we retain any part of a loan, " loan " means the total amount actually paid by us to you or your legal adviser during the mortgage term ;
legal completion	the date of the mortgage deed ;
LIBOR	in relation to any rate period , the rate detailed in (a), (b) and (c) below, rounded up to the next 0.05% for three (3) month sterling deposits in the London Inter-bank market at 11.00am (London time) on the quotation day for that rate period . The rate is: <ul style="list-style-type: none"> a) the rate which appears on the display designated as the British Bankers' Association Interest Settlement Rate on the appropriate page of the Reuters screen or, if that page is replaced or service ceases to be available, we can specify another page or service displaying the appropriate rate; or b) if no such display rate is available on the relevant quotation day, the mean of rates supplied to us at our request by each of the reference banks (or, if not all reference banks supply a rate, by at least two of the reference banks) as being the rate at which the relevant reference bank could borrow funds in the London interbank market for the relevant period, were it to do so by asking for and then accepting interbank offers for sterling deposits in reasonable market size for that period; or c) (a) or (b) is not possible, then the rate is the cost of funding personal mortgages, as reasonably applied by us by reference to market practice at the time;
margin	the applicable rate of interest set out as the margin in the mortgage offer (if any);
month(s) and monthly	a calendar month;
monthly payment	the amount which you are required to pay us each month , the initial amount of which is set out in the mortgage offer . We may change the monthly payment under condition 6;
mortgage	the conditions , the application form , the mortgage offer , the mortgage deed , the tariff of fees and/or any other supplemental document signed by you which is stated to include some or all of these conditions ;
mortgage account	the account or accounts which we use to record the amount owed ;
mortgage deed	the legal document incorporating the conditions which you sign to give us a charge over the property , and which secures the amount owed ;
mortgage offer	our written offer to give you a loan which includes any special conditions which are attached to or included in the mortgage offer and any covering letter. This also includes any changes to the mortgage offer made by us in writing before completion or by written agreement between you and us after completion ;
mortgage term	the period during which you must repay the amount owed as set out in the mortgage offer or any subsequent term agreed by us ;
overpayment	any payment made in addition to the monthly payment that is not at that time due to be paid;
payment day	the day on which you must make the monthly payment to us , as confirmed by us at completion . We may change the payment day in accordance with conditions 6.3 and/or 6.4
property	all or part of the property described in the mortgage deed (which includes all the related assets and rights referred to in condition 20.3;) over which we will take a charge as security for the amount owed ;
quarter day	the thirteenth (13th) day of every February, May, August and November or, if that day is not a working day , the next working day which follows it;

quotation day	for a rate period , the working day immediately before the beginning of that rate period ;
rate period	a period which starts on a quarter day and finishes on the day immediately before the next quarter day . The first rate period for any loan will start on the quarter day immediately before completion (unless completion occurs on a quarter day in which case it will commence on that quarter day);
reference bank(s)	the principal London offices of Barclays Bank plc, HSBC Bank plc and National Westminster Bank plc or such other bank or banks as we may from time to time reasonably determine (but which are not within the same group of companies as us);
repayment mortgage	the loan or that part of a loan where each monthly payment includes a repayment of the capital part of the amount owed ;
standard variable rate	our standard variable rate of interest (also known as SVR) which we publish on our website and which can be changed by us under condition 8;
tariff of fees	the document we send to you with the mortgage offer setting out our tariff of mortgage charges as revised by us from time to time;
transfer	a sale, transfer, assignment, declaration of trust, charge or other dealing or disposal by us of some or all of the rights under the mortgage ;
transferee	anyone who is entitled to exercise any of the rights under the mortgage as a result of any transfer ;
trustee	your role when you hold money on our behalf, have no right to the money and pay the money to us immediately upon request;
website	our internet presence at http://mortgages.investec.co.uk or such replacement website address as we may direct you to from time to time;
working day	any day of the week other than Saturday, Sunday or bank holidays or other public holidays in England and Wales;
you, your, yourself, borrowers and borrower	<p>each person named as the borrower in the mortgage deed and all of you together if there is more than one of you and includes:</p> <p>a) your personal representatives; and</p> <p>b) any person to whom title to the property passes.</p> <p>If there is more than one of you, each of you is responsible for the full amount owed (jointly and individually). Each person must read the mortgage carefully as it applies equally to all of you.</p>

2 Interpretation and application

- 2.1 These **conditions** include the terms of the **mortgage offer** (which continue to apply after **we** make the **loan**), the **mortgage deed**, the **application form** and any other document **you** sign in connection with the **mortgage** which expressly provides that it contains conditions that **you** are legally bound by. If any of the terms in these **conditions** are not consistent with the **mortgage offer**, the terms of the **mortgage offer** take priority.
- 2.2 Part 2 of these **conditions** applies where the whole or any part of the **property** is **buy to let**. Part 2 applies whether or not **you** have obtained **our** prior written consent in accordance with condition 21.2. If the terms in Part 2 become applicable, they will continue to apply until the **property** is no longer let and **you** confirm to **us** in writing that **you** do not intend to let it or any part of the **property**. If any of the terms of Part 2 apply and are not consistent with Part 1, they take priority over the terms in Part 1.
- 2.3 In these **conditions**:
- 2.3.1 use of the singular includes the plural and the other way around;
 - 2.3.2 use of the words “he” and “his” mean “he or she” and “his or hers”;
 - 2.3.3 the headings used in these **conditions** are only for convenience and do not alter the meaning of these **conditions**;
 - 2.3.4 the expressions ‘include’, ‘including’ and ‘for example’ do not limit the meaning of any other words;
 - 2.3.5 where any of these **conditions** prevent **you** from doing something without **our** consent or permission, **we** will not unreasonably withhold **our** consent. **We** may withhold **our** consent for something if it adversely affects or might affect **our** security or the value of the **property**;
 - 2.3.6 if **we** have the power to require something then, unless otherwise specified, **we** will not require it unless it is reasonable for **us** to do so, for example, if it will or might assist with preserving **our** security or the value of **your property**.

3 Joint mortgages

- 3.1 If there is more than one of **you** named in the **mortgage deed** as a **borrower**, the **mortgage** will be a joint **mortgage** and the following terms will apply irrespective of any benefits accruing to any of **you**:
- 3.1.1 **You** are individually responsible for complying with the terms of the **mortgage** and **you** are individually responsible for ensuring that the entire **amount owed** is repaid (and not just a part of it). If **you** break the terms of the **mortgage**, **we** can take action against all or any of **you**. Any arrangements **we** make with one of **you** will not affect **our** rights against any other of **you** or any responsibilities of any other of **you** under the **mortgage**.
- 3.1.2 **You** must read these **conditions** carefully as they apply equally to all of **you**.
- 3.1.3 **We** may give any information about the **loan** and changes **you** ask for to any of **you**.
- 3.1.4 Any of **you** may instruct **us** to repay a joint **mortgage** (but see condition 3.1.7).
- 3.1.5 If any of **you** die, **we** can treat the survivor(s) as fully liable to meet **your** responsibilities under the **mortgage**. **We** will amend the joint **mortgage account** to a **mortgage account** in the names of the survivor(s).
- 3.1.6 If **you** are joint borrowers and share the same address, **we** will only send one copy of any single notice or correspondence. The one copy **we** send will be addressed to all of **you**. If **you** are joint borrowers and have different addresses, **we** will send a separate notice or correspondence to each address **you** have provided.
- 3.1.7 If it is possible to transfer **your loan** to a different property (often referred to as 'port', 'porting' or 'portable'), **we** will require written consent to the porting from all of **you**. Details as to whether **your mortgage** is portable can be found in **your mortgage offer**. Condition 15 also applies.

4 Our agreement

- 4.1 **You** agree to carry out **your** obligations under the **mortgage** and **we** agree to carry out **our** obligations.
- 4.2 In addition to the rights **you** and **we** have under the **mortgage**, **you** and **we** have rights implied by law which may not be stated in the **mortgage** but will apply unless they have been expressly excluded in the **mortgage**.

5 Payment obligations

- 5.1 **You** must make the **monthly payment** to **us** on each **payment day** in every **month** until **you** have repaid the **amount owed**.
- 5.2 If a **payment day** does not fall on a **working day**, the payment is due on the first **working day** following that **payment day**.
- 5.3 **You** will make each **monthly payment** by direct debit from a UK bank or building society account nominated by **you** and approved by **us** which must be in **your** sole name or, if **you** are joint **borrowers**, either in the sole name of one of **you** or in **your** joint names. If any direct debit is refused, **we** can charge a reasonable **fee** for an unsuccessful request for payment. This **fee** is set out in **our tariff of fees**.
- 5.4 **You** must not close the account from which direct debits are collected by **us** or cancel or alter the direct debit mandate to the bank or building society at which the account is maintained without informing **us** in advance. If **you** close the account from which the direct debit is collected by **us**, **you** must give **us** the details of a replacement account from which **you** will be making **your monthly payment**, and complete a new direct debit mandate. The replacement account must be in **your** sole name or, if **you** are joint **borrowers**, in the sole name of one of **you** or in **your** joint names.
- 5.5 Any money which **you** pay to **us** will be treated as received by **us** only when **we** receive the money in cleared funds.
- 5.6 If **you** have a **repayment mortgage**, each **monthly payment** will include an amount toward the repayment of the **loan** and interest on the **amount owed** together with any additional sums **you** must pay such as **fees** and **expenses**. **We** will calculate the **monthly payment** required to make sure that the capital is repaid over the **mortgage term**.
- 5.7 If **you** have an **interest only mortgage**, each **monthly payment** will be made up solely of interest on the **amount owed** together with any additional sums **you** must pay such as **fees** and **expenses**. This means that **you** will still have to repay the whole of the **loan** on the last day of the **mortgage term**. It is a condition of **your mortgage** that **you** have a credible repayment strategy in place which has the potential to repay the whole of the **loan** at the end of the **mortgage term** and it is a material breach if **you** fail to ensure **your** repayment strategy is suitable for that purpose. **You** must regularly check **your** repayment strategy to ensure that it continues to be suitable. **We** may request details of **your** repayment strategy at any time during the **mortgage term**, and **you** must provide those details to **us** upon **our** request.

- 5.8 Without limiting any of the other rights available to **us** under the **mortgage**, if **you** are in material breach of the terms of **your interest only mortgage**:
- 5.8.1 **we** may, acting reasonably, convert **your interest only mortgage** to a **repayment mortgage** by increasing the **monthly payment** so that it provides for the capital as well as the interest on the **amount owed** to be repaid by the end of the **mortgage term**; or
- 5.8.2 if it becomes apparent that **your** repayment strategy will only be sufficient to repay part of **your loan** at the end of the **mortgage term**, **we** may, acting reasonably, convert **your interest only mortgage** to a part **repayment mortgage**, part **interest only mortgage**.
- We** will give **you** written notice if **we** do so and will tell **you** the amount of **your** revised **monthly payment**. **We** may also take the action referred to in condition 22.2.
- 5.9 For the purposes of calculating the **monthly payment**, **we** assume that each **month** is an equal 12th part of the year.
- 5.10 If the **loan** is a combination of an **interest only mortgage** and a **repayment mortgage**, the relevant parts of this condition 5 shall apply to the relevant parts of the **loan**.
- 5.11 **We** will require **you** to make a payment to cover the period from **completion** until the end of the **month** in which **completion** takes place. **We** will write to **you** and let **you** know the exact amount required and the date upon which payment will be collected. This payment will be made in accordance with **your** direct debit instructions, unless otherwise agreed between **you** and **us**.
- 5.12 Any **further advance** will increase the **amount owed** from the date when **we** pay the amount of that **further advance** to **you** or **your** legal adviser
- 5.13 Any **expenses** and **fees** which **we** incur will increase the **amount owed** if they are not paid when due from **you**.

6 Changes to the monthly payment and payment day

- 6.1 The amount of the initial **monthly payment** is set out in the **mortgage offer**. **We** may from time to time work out the amount of a new **monthly payment** to take account of any of the following:
- 6.1.1 changes to the **interest rate** in accordance with conditions 8, 9, 10 or 21.5;
- 6.1.2 changes to the **amount owed** (as a result of, for example, any **further advance**, release of any part of a **loan** which **we** were keeping back, any **overpayment**, any unpaid interest and any **fees** and **expenses**);
- 6.1.3 changes to the **mortgage term** made with **your** and **our** agreement;
- 6.1.4 the withdrawal or granting of any concession;
- 6.1.5 correcting any mistake made by **us** where it is reasonable for **us** to do so;
- 6.1.6 **your mortgage account** moving from an **interest only mortgage** to a **repayment mortgage** or vice versa or to a part **interest only mortgage**, part **repayment mortgage**;
- 6.1.7 changes to the amount of any insurance premium or insurance premium tax (where insurance is arranged by **us** under condition 17.2); or
- 6.1.8 to reflect any changes agreed between **you** and **us** in the number or amount of **monthly payments** to be made under **your mortgage**.
- 6.2 **We** will tell **you** of the new amount of the **monthly payment** and the reasons for the change in one of the ways listed in condition 28. The notice will be given at least ten (10) **working days** before the first new **monthly payment** is due.
- 6.3 **We** may change the **payment day** at any time to:
- 6.3.1 accommodate changes in technology;
- 6.3.2 reflect changes in banking practice; or
- 6.3.3 accommodate an essential change in the running of **your mortgage account**.
- We** will provide **you** with at least two (2) months' notice before **we** change the **payment day**.
- 6.4 Once **you** have made **your** first **monthly payment**, **you** may, acting reasonably, ask **us** to change the **payment day** at any time, from the date of **completion**. If **you** ask **us** less than fourteen (14) days before the existing **payment day**, the change may not come into force until the following **month**. The change must not result in **you** missing the **monthly payment**.

7 Interest

- 7.1 Interest is charged at the **interest rate** set out in the **mortgage offer**. The **mortgage offer** may specify that different **interest rates** apply:
- 7.1.1 to separate parts of the **loan**; and/or
 - 7.1.2 at different times during the **mortgage term**.
- 7.2 The **interest rate** which applies to a **loan** or any part of it may be fixed or may vary as set out in conditions 8, 9, 10 and 21.5.
- 7.3 The **interest rate** is an annual rate. To calculate the daily rate of interest, **we** divide the annual **interest rate** by 365. **We** then charge **you** interest each **month** on the daily rate of interest **we** have calculated, multiplied by the number of days in that **month** (in a leap year, interest will be charged on twenty nine (29) days in February).
- 7.4 **We** apply this interest to **your mortgage account monthly** in advance on the first day of the **month** based on the **amount owed** at the end of the last day of the previous **month**. Interest is added to the **amount owed**.
- 7.5 Except where the **mortgage offer** states otherwise, **you** must pay the interest charged each **month** by making the **monthly payment** which is due to be paid on the **payment day**.
- 7.6 If there has been a change to the **amount owed** during a **month** (for example, if **you** make an **overpayment**) **we** will make a corresponding adjustment to the interest **you** pay in the next **month** to account for that change.
- 7.7 **We** will continue to charge interest at the **interest rate** until the **amount owed** is repaid even if **we** get a court order for **you** to pay some of or the entire **amount owed**.
- 7.8 **We** may change the method used for calculating interest to reflect changes in **our** procedures. A change in such method will not materially increase **your** payment obligations.

8 Changes to the standard variable rate

- 8.1 If the **interest rate** is based upon the **standard variable rate**, **we** may vary the **standard variable rate** at any time, for any of the following reasons, responding proportionately, to:
- 8.1.1 reflect a change which has occurred in the **base rate** and/or any changes in **LIBOR** or any other market rates which influence the cost of funds to **us**;
 - 8.1.2 maintain the competitiveness of **our** personal banking business taking into account the interest rates charged by other financial institutions to personal mortgage borrowers;
 - 8.1.3 changes to required regulatory capital in order to maintain **our** financial strength in the interests of all **our** customers;
 - 8.1.4 any change in costs reasonably incurred by **us** in operating **our** personal mortgage lending business;
 - 8.1.5 reflect a change in:
 - i) relevant laws;
 - ii) industry guidance;
 - iii) codes of practice which raise standards of consumer protection; and/or
 - iv) a decision by a court.
 - 8.1.6 reflect an applicable decision, recommendation or requirement of an ombudsman, regulator, central bank, monetary authority or similar person.
- 8.2 **We** will give **you** not less than ten (10) days' notice of any change in the **standard variable rate** unless condition 8.3 applies. Notice will be given in one of the ways set out in condition 28. Any change in **standard variable rate** will take effect on the first of the **month** following notice of that change. **We** will also update **our website** to show the new **standard variable rate**.
- 8.3 **We** may also increase or reduce the **standard variable rate** under this condition at any time for any other valid reason not set out in condition 8.1. If **we** do so, such variation will be proportionate and:
- 8.3.1 **we** will give **you** not less than thirty (30) days' notice of an increase in the **standard variable rate** and not less than ten (10) days' notice of a reduction;
 - 8.3.2 the notice will say that **we** are making the increase or reduction under this condition; and
 - 8.3.3 **you** will be entitled to repay all of the **amount owed** or (if **you** choose) the part of the **amount owed** to which the increase applies, within four (4) months from the date on which the increase takes effect, without paying any early repayment charge or any of **our fees** that would otherwise apply.

9 Changes to LIBOR linked rate

- 9.1 If the **interest rate** is **LIBOR** and a **margin**, the **interest rate** for any **rate period** will be the rate calculated under the definition of **LIBOR** and the **margin** for the whole of that **rate period**. It will change automatically to reflect any changes in **LIBOR** at the beginning of each **rate period**. Any change will take effect immediately.
- 9.2 **We** will give **you** notice of any change as set out in condition 28 but only after the change has been made. **Your monthly payment** will be recalculated following a change in **LIBOR** with effect from the first **payment day** following the change.
- 9.3 The **margin** that is added to **LIBOR** will stay the same for the whole of **your mortgage term** unless otherwise specified in **your mortgage offer**.
- 9.4 **We** may apply a floor to **LIBOR** which will operate in the event that **LIBOR** falls below a specified level. **Your mortgage offer** will confirm whether a floor applies to **your mortgage**, and what level applies. If a floor applies to **your mortgage**, any reduction in **LIBOR** will be limited to the rate agreed as the floor in **your mortgage offer**.

10 Changes to base rate

- 10.1 If the **interest rate** is based upon **base rate** and a **margin**, any change in the **base rate** will take effect on the first of the **month** following notice of the change. **We** will give **you** not less than ten (10) days' notice of a change in the **base rate** in one of the ways set out in condition 28.
- 10.2 **We** may apply a floor to **base rate** which will operate in the event that **base rate** falls below a specified level. **Your mortgage offer** will confirm whether a floor applies to **your mortgage**, and what level applies. If a floor applies to **your mortgage**, any reduction in the **base rate** will be limited to the rate agreed as the floor in **your mortgage offer**. If no floor to **base rate** is specified in **your mortgage offer**, then a floor of 0.01% will apply for the purpose of **your mortgage**.
- 10.3 The **margin** that is added to **base rate** will stay the same for the whole of **your mortgage term** unless otherwise specified in **your mortgage offer**.
- 10.4 If Bank of England base rate ceases to exist then **we** may, by giving **you** not less than ten (10) days' written notice, specify a new replacement rate of interest as the **base rate**. This will be the **base rate** set by any successor central bank.

11 Early repayment of your mortgage

- 11.1 **You** may make an early repayment (also referred to as an **overpayment**) of all or any part of the **amount owed** at any time before the end of the **mortgage term**, but an early repayment charge may apply under condition 11.3. When a lump sum **overpayment** of £1,000 or more is made to repay part of the **amount owed**, **you** can request either:
- 11.1.1 a corresponding recalculation of **your monthly payment**, in which case **your mortgage term** will remain the same; or
- 11.1.2 **your mortgage term** to be reduced, in which case **your monthly payment** will remain the same.
- If **you** do not make such a request at the time that **you** make that **overpayment**, or **you** make an **overpayment** of less than £1,000, **we** will adjust **your monthly payment** at the time of the next **interest rate** change, and **your mortgage term** will not change.
- 11.2 Any payment will be credited to the **initial loan** first on the day it is received by **us** in cleared funds. If a payment in uncleared funds is received, it will not be used to reduce the **amount owed** until that payment has cleared.
- 11.3 If for any reason **you** repay all or any part of the **loan** before the end of the **mortgage term**, and condition 8.3.3 does not apply, **you** must pay:
- 11.3.1 any early repayment charge which the **mortgage offer** requires **you** to pay on an **overpayment**; and
- 11.3.2 **our fees** in connection with the repayment (if applicable).
- This applies even if the **overpayment** results from the operation of condition 22.
- 11.4 If the **mortgage account** is divided into different parts, **you** may give **us** written instructions telling **us** which part of the **mortgage account** is to be credited with the **overpayment**. If **you** do not, **we** will credit that payment to the highest interest part of the **loan** first. This condition 11.4 relates to **overpayments** only. If **you** have paid less than the full **monthly payment** amount due, condition 12 applies.

12 Application of underpayments

- 12.1 If **you** make a payment which is less than the **monthly payment**, and **your mortgage account** is divided into different parts, **we** shall credit the highest interest part of the **loan** first and contact **you** to discuss how **you** will service **your mortgage account**.

13 Expenses and fees

- 13.1 **You** must pay **our expenses** and **fees** when **we** ask for them.
- 13.2 **You** agree to pay **us** **our** reasonable **fees** incurred in connection with the **mortgage**. These **fees** are to cover the administration costs of the work done by **our** staff or agents. Details of **our fees** are set out in **our tariff of fees**.
- 13.3 Any **fee** may include a reasonable and proportionate allowance to reflect the costs incurred by **us** of supplying the services of **our** staff or agents and the facilities and accommodation used by them.
- 13.4 **We** will provide **you** with reasonable notice in advance of any changes to **our fees** and no increase or new **fee** will be applied unless **you** have been previously notified by **us** in writing.
- 13.5 If **we** have to pay any **expense** to third parties, where it is practical to do so, **we** will give notice to **you** within a reasonable time in advance of payment, stating the amount of the **expense**, the nature of the service supplied by the third party and the date on which the **expense** is due to be paid. Where it is not possible for **us** to give **you** advanced notice of an **expense** **we** have paid within a reasonable time following payment, **we** will notify **you** of the amount and nature of that **expense**, and the date on which the **expense** was paid by **us**.
- 13.6 All **fees** and **expenses** that fall due are added to the **mortgage account** and form part of the **amount owed**. They bear interest from the date they are applied to the **mortgage account**.
- 13.7 If **you** wish to minimise the additional interest charged in relation to any **fees** and **expenses** added to **your mortgage account**, **you** should contact **us** to arrange payment of those **fees** and **expenses**.
- 13.8 **We** may change **our tariff of fees** to:
- 13.8.1 add new **fees** to reflect the reasonable cost to **us** of any new administrative operation that needs to be carried out in relation to **your mortgage**;
 - 13.8.2 remove a **fee** which is redundant;
 - 13.8.3 change the amount of any **fee** but only to reflect an increase or decrease in the costs of doing the work related to that **fee** or a change in third party costs; and/or
 - 13.8.4 reflect an applicable decision, recommendation or requirement of an ombudsman, regulator or similar body.
- If **we** make any amendments to any of **our fees**, they will be reasonable, proportionate and in accordance with this condition 13.
- 13.9 **We** will give **you** a copy of **our** current **tariff of fees** at any time on request. **We** will also send **you** an up to date copy of **our tariff of fees** with **your** annual **mortgage account** statement. **Our** current **tariff of fees** is also available on **our website**.

14 Our right to offset monies

- 14.1 If the **amount owed** has become immediately repayable under condition 22.1, or there is an amount outstanding at the end of the **mortgage term**, and **you** have any money held in another account with **us** or any **associated company**, **we** may use the money from that other account to pay off or reduce the **amount owed** under **your mortgage**. **We** will only exercise this right where it is considered reasonable to do so. If **we** do exercise **our** right of set off, neither **we** nor any **associated company** will pay any further interest or bonus on any money **we** have taken from **your** other account.
- 14.2 Condition 14.1 applies even if **you** are joint **borrowers** and the other account is held by only one of **you**.

15 Porting

- 15.1 **Your mortgage offer** will specify whether it is possible to port **your loan** to a different property.
- 15.2 Porting is subject to **us** being satisfied:
- 15.2.1 that the new property creates satisfactory security; and
 - 15.2.2 that **you** meet **our** lending criteria applicable at that time, including **your** ability to continue to afford the **monthly payments**.

16 Buildings insurance

- 16.1 **You** are responsible for ensuring that the **property** is adequately insured at all times.
- 16.2 **You** will not do or allow anything to be done on the **property** which may prejudice the insurance or increase the premiums or any excess.

17 Buildings insurance policy requirements

- 17.1 The following requirements must be met in relation to any insurance of the **property**:
- 17.1.1 in the case of a freehold **property**, **you** must be named as the insured under the insurance policy;
 - 17.1.2 the insurance must be kept in force until **our** security over the **property** is released;
 - 17.1.3 the amount of cover must be for the full reinstatement value of the **property**, be index-linked and be reviewed annually;
 - 17.1.4 a copy of the policy and a copy of the latest renewal receipt must be supplied to **us** whenever requested;
 - 17.1.5 the insurance should cover such risks as **we** may from time to time specify in order to protect **our** security; and
 - 17.1.6 any additional requirements set out in the **mortgage offer**.
- 17.2 **We** may take over arrangement of the insurance of the **property** at any time if **we** reasonably consider that the amount or type of cover is inadequate or if the policy is cancelled or lapses. In this case, the insurance will only protect **our** interests and **you** will not be covered for any risks.

18 Buildings insurance arranged by us

- 18.1 If **we** take over arrangement of the insurance under condition 17.2:
- 18.1.1 **we** will decide on the amount of cover and risks to be insured and need not make sure that the cover is adequate for **your** purposes;
 - 18.1.2 the amount of cover may be adjusted automatically to reflect general movements in the insurance market;
 - 18.1.3 **we** will pay the premium on **your** behalf, in which case **you** must pay the amount of the premium to **us** when **we** ask for it. Any unpaid premium will be added to the **amount owed** and will bear interest at the **interest rate** from the date on which **you** should have paid it until it is paid; and
 - 18.1.4 the premiums for any insurance which **we** arrange will be added to the **mortgage account** as an **expense** in accordance with condition 13.6.
- 18.2 **We** may receive commission on any insurance arranged by **us** under these **conditions**.

19 Insurance proceeds and claims

- 19.1 **You** must tell **us** immediately about any damage to the **property** which may give rise to a claim under any insurance policy.
- 19.2 **You** will hold any money received under any insurance policy relating to the **property** (whether or not taken out as required under these **conditions**) as **trustee** for **us**.
- 19.3 If **you** or **we** receive any money under an insurance policy relating to the **property**, **we** may decide (acting reasonably and taking into account any adverse impact on the value of **our** security over the **property** if the proceeds are not used to make good the damage), whether to use the money to make good the loss or damage for which the money was received or to use it to repay all or any part of the **amount owed**.
- 19.4 **We** will, acting reasonably, be entitled to agree claims with the insurers whether or not the insurance is arranged by **us**. **You** may not settle any claim without **our** consent (which **we** shall not unreasonably withhold or delay).

20 What is secured

- 20.1 The **mortgage deed** secures the repayment of the **amount owed**.
- 20.2 Until the **amount owed** has been repaid in full, **we** are not obliged to release the **property** that **we** hold as security for the **loan**. The **mortgage** is a "continuing security" which will cover the **amount owed** from time to time.
- 20.3 **You** also charge to **us** as security for the **amount owed** any:
- 20.3.1 fixtures and fittings;
 - 20.3.2 additions or alterations;

- 20.3.3 rights **you** have under any agreement or guarantee relating to the **property**;
- 20.3.4 rights **you** have to shares in a management or residents' company or similar association because of **your** interest in the **property**;
- 20.3.5 right **you** may have to compensation or insurance money payable in respect of the **property**;
- 20.3.6 right **you** may have to extend the term of any lease of the **property** or to take a new lease or acquire the freehold or other interest in the **property**;
- 20.3.7 leasehold or freehold interest in the **property** which **you** acquire after the date of the **mortgage deed**; and
- 20.3.8 other rights, remedies or interest that **you** may have in relation to the **property**.
- 20.4 **You** will take any action in respect of the rights set out in condition 20.3 above which **we** reasonably request. In particular, **you** will sign a document assigning any of these rights to **us**, if **we** request **you** to. That document will be prepared by **us** and will include such conditions as **we** may reasonably require.

21 Property obligations

- 21.1 **You** agree that:
- 21.1.1 **you** will keep the **property** in good repair and condition to **our** reasonable satisfaction;
- 21.1.2 **you** will use the **property** as **your** main residence, unless **your mortgage** is a **buy to let**;
- 21.1.3 **you** will keep all the utilities on the **property** and any heating system in good working order;
- 21.1.4 **you** will allow **us** to go into the **property** at any reasonable time:
- a) to inspect it; and/or
- b) to carry out work which **we** have requested **you** to do and which **you** have failed to do within a reasonable time,
- and if **we** do so, it does not mean that **we** have accepted the legal responsibilities of a mortgage lender in possession of the **property**;
- 21.1.5 if **you** receive any notices about the **property** **you** will:
- a) send **us** a copy within seven (7) **working days** of receiving it; and
- b) comply with the notice and any reasonable requirements **we** may have in relation to it;
- 21.1.6 **you** will comply with all laws, regulations, obligations or restrictions which affect the **property** or its use;
- 21.1.7 **you** will promptly pay all rents, taxes and other money payable in connection with the **property** on time and provide the receipts to **us** if **we** ask **you** to;
- 21.1.8 if **you** are sent any of the title deeds to the **property**, **you** will:
- a) store them in a safe place; and
- b) forward them to **us** promptly upon request;
- 21.1.9 if **you** have any right to bring court proceedings against any person in connection with the **property**, **you** will take such action in relation to those rights as **we** may reasonably require or transfer the benefit of those rights to **us** at **our** request;
- 21.1.10 **you** will provide to **us** promptly upon request any further information and documentation that **we** may reasonably ask for in relation to **you** or the **property**; and
- 21.1.11 if the **property** is leasehold, **you** will:
- a) do all that **you** can to ensure that the landlord and any other party to the lease complies with their obligations under the lease;
- b) inform **us** of any proposal to take a new or extended lease of the **property** or to acquire the freehold of the **property**; and
- c) inform **us** of any proposal to convert the leasehold title to commonhold.
- 21.2 **You** agree not to do any of the following without first obtaining **our** written consent:
- 21.2.1 sell or give away any part of the **property**;
- 21.2.2 alter the structure of the **property** or add anything to it or demolish all or any part of the **property** or change its use;

- 21.2.3 grant or agree to grant any lease or licence of the **property** or any part of it (and any statutory right you may have to grant leases does not apply);
 - 21.2.4 grant or agree to grant to any third party any lease, licence or other right or interest in or on or above or about any part of the **property** for erecting or retaining on the **property** any solar panels or other plant or equipment for the supply or production of electricity;
 - 21.2.5 grant or agree to grant any option or any other rights relating to the **property**;
 - 21.2.6 create or allow to exist any security over the **property** other than the **mortgage**;
 - 21.2.7 share or part with possession of the whole or any part of the **property**;
 - 21.2.8 if the **property** is leasehold, allow the lease to come to an end, agree to any changes in its terms or break any of its terms;
 - 21.2.9 leave the **property** empty for more than one **month**;
 - 21.2.10 use the **property** for non-residential purposes;
 - 21.2.11 allow any person other than **you** to be registered as the proprietor of the **property**;
 - 21.2.12 negotiate, give up or agree any claim for compensation relating to the **property**;
 - 21.2.13 apply for or obtain any improvement grant or similar grant relating to the **property**; or
 - 21.2.14 anything that may reduce the value of the **property** to **us**,
- and **you** shall not allow anyone else to do any of these things without first obtaining **our** written consent.
- 21.3 Where **our** consent is required to do anything, this will not be unreasonably withheld or delayed.
 - 21.4 **We** may charge a **fee** for considering **your** request for consent to do any of the matters set out in condition 21.2, and for any request for change of **property** use, for example letting the **property**, whether or not **we** give consent. Where **we** give **you our** consent, **we** may also impose any condition which is reasonable.
 - 21.5 To reflect the additional risk to **us** of the use of the **property**, if **you**:
 - 21.5.1 let the **property** against the **conditions** of the **mortgage** without **our** consent, **we** will increase the **interest rate** by 2%; or
 - 21.5.2 obtain **our** consent to change the purpose of the **property** from residential to **buy to let**, **we** will increase the **interest rate** by 1%.

If **we** consent under 21.5.2 above Part 2 of these **conditions** will also apply.
 - 21.6 **You** will notify **us** in the event **you** have opted to undertake home improvements under the Department of Energy and Climate Change's Green Deal Scheme.
 - 21.7 **You** will bear the costs of complying with **your** obligations under this condition 21.
 - 21.8 If **you** do not comply with any of **your** obligations under this condition 21, **we** can, on **your** behalf, do anything which **you** should have done. If **we** do so, any **expenses** which **we** incur will be passed on to **you** in accordance with condition 13.6.

22 Events on which the amount owed becomes payable

- 22.1 If any of the following events happen, **we** may give **you** notice requiring **you** to repay the **amount owed** immediately:
 - 22.1.1 **your mortgage account** has a shortfall equivalent to the amount of three (3) **monthly payments** which **you** were obliged to make under the **mortgage** and **you** have not corrected the position within a reasonable time of **us** requesting **you** to do so;
 - 22.1.2 **you** fail to pay any other material amount which **you** owe to **us** under the **mortgage** within three (3) **months** of it falling due;
 - 22.1.3 **you** breach any of **your** other material obligations to **us** (other than for the payment of money) under the **mortgage** and, where the breach is capable of remedy, **you** have failed to correct that breach within fourteen (14) days of **us** giving **you** notice to remedy it;
 - 22.1.4 the **loan** was obtained as a result of fraud;
 - 22.1.5 **we** have reason to believe that any information given to **us** about **you**, or the **property** is untrue or misleading to a significant extent;
 - 22.1.6 if **you** do not have a joint **mortgage** and **you** die, or if **you** do have a joint **mortgage** and the last survivor of **you** dies;

- 22.1.7 the charge over the **property** used as security for the **loan** is not registered or it is not registered as a first legal charge and **you** have failed to co-operate with **us** to rectify the position;
- 22.1.8 **you** sell or create a further interest (such as a lease or trust) in the land, which forms the subject matter of the charge that **you** have given to **us**, unless **we** have consented in writing to **you** doing this;
- 22.1.9 **you** are declared bankrupt or become insolvent;
- 22.1.10 any step is taken with a view to **you** entering into an arrangement with **your** creditors;
- 22.1.11 **you** are unable to pay **your** debts;
- 22.1.12 the **property** is compulsorily purchased or requisitioned;
- 22.1.13 the **property** is damaged and in **our** opinion, or that of **our** agents, the value of **our** security is lowered to a significant extent;
- 22.1.14 anybody applies for a court order in relation to the **property** which **we** reasonably believe could harm **our** security;
- 22.1.15 another lender takes possession of the **property**, appoints a receiver of the **property** or exercises or tries to exercise a power of sale over the **property**;
- 22.1.16 if **you** are paying **your monthly payment** with proceeds of crime; and/or
- 22.1.17 the **mortgage** or any guarantee of it ceases to be valid or enforceable for any reason.
- 22.2 If any of the events set out in condition 22.1 above have occurred, **we** may do any of the following things:
 - 22.2.1 require **you** to leave the **property** so that **we** may take possession of the **property** or, if the **property** is let, collect the rent;
 - 22.2.2 sell the **property** on any terms **we** reasonably decide (and any statutory restrictions on **our** power to sell will not apply);
 - 22.2.3 appoint one or more receivers of the **property**;
 - 22.2.4 if the **property** is let, require **you** to sign a document mortgaging the rent to **us** (this document will be prepared by **us** and will include such **conditions** as **we** may reasonably require);
 - 22.2.5 carry out any repairs or improvements to the **property** which **we** reasonably consider will make it easier to sell or let;
 - 22.2.6 make arrangements or compromises which **we** think fit about the **property**;
 - 22.2.7 enter into, vary, renew or bring to an end any lease of the whole or any part of the **property** on whatever terms **we** decide and without reference to any statutory restrictions;
 - 22.2.8 exercise all the other powers which **we** have by reason of **us** having a mortgage of the **property**;
 - 22.2.9 on **your** behalf, remove, store, sell or dispose of **your** furniture or goods (including any animals) or those of any other person staying in the **property** after **we** have given written notice to **you** requiring them to be removed. If **we** do so, **we** will pay any proceeds to **you** less any **expenses** but **we** will not be responsible for any loss or damage unless **we** failed to take reasonable care;
 - 22.2.10 do anything that **you** are entitled to do as owner of the **property**; and/or
 - 22.2.11 cancel any commitment or offer **we** may have made to lend **you** any **further advance**.
- 22.3 These powers are available to **us** from the date of the **mortgage deed** but **we** will only use them once any of the events set out in condition 22.1 above have occurred.

23 Shortfall on sale

- 23.1 If, on selling the **property**, the net proceeds are not enough to repay the entire **amount owed**, **we** will inform **you** of the shortfall amount and **you** must pay the shortfall amount to **us**. **You** must pay the shortfall even if **we** have released the **property** from the **mortgage** (for example, in order for it to be sold). **We** are entitled to charge interest on any shortfall at the **interest rate** until the **amount owed** is paid in full. **We** will continue to charge interest at the **interest rate** even if **we** get a court order for **you** to pay the whole or any part of the shortfall. **We** may use third parties to collect the shortfall amount on **our** behalf.

24 Appointment of receivers

- 24.1 This **condition** applies to any appointment of a receiver under condition 22.2.3.
- 24.2 Any appointment must be in writing.
- 24.3 Where **we** appoint more than one receiver they shall have power to act either together or on their own.
- 24.4 **We** may, from time to time, agree the fees and expenses charged by any receiver at any reasonable level (and any statutory restriction shall not apply).
- 24.5 **We** may remove a receiver and appoint someone else in his place.
- 24.6 So far as the law allows, the receiver shall be **your** agent. This means that **you** alone will be liable for anything which he does or fails to do and for his fees and expenses.
- 24.7 A receiver will have all the powers given to **us** by these **conditions** or by law as well as the statutory powers of a receiver. This includes the power to do anything that **you** are entitled to do as owner of the **property**.
- 24.8 So far as the law allows, any money received by the receiver shall be used by him as follows:
- 24.8.1 in meeting any claims which have priority to the **mortgage**;
 - 24.8.2 in payment of the costs and expenses relating to his appointment and the exercise of his powers and meeting any expenses relating to the **property** which he pays;
 - 24.8.3 in payment of his fees; and
 - 24.8.4 in payment to **us** of the **amount owed**,
- and any balance shall be paid to the person entitled to it.

25 Management companies

- 25.1 If **you** hold a share in a management or residents' company or similar association because of **your** interest in the **property**, **you** will deposit any share certificate with **us** together with a signed share transfer form with the name of the transferee left blank.
- 25.2 **We** will be entitled and any receiver will be entitled to do any of the following things on **your** behalf:
- 25.2.1 transfer the share to any person to whom the **property** has been sold; and/or
 - 25.2.2 exercise any voting rights as a result of **our** having taken possession of the **property** or having appointed a receiver.

26 Our rights to act on your behalf

- 26.1 For the purposes of securing **our** interest in the **property**, **you** appoint **us** and any receiver appointed by **us** to be **your** attorney. **Your** attorney will be authorised to act in **your** name and on **your** behalf and bind **you** as though **you** had acted **yourself**.
- 26.2 **You** agree to sign any document and do anything else which **we** reasonably request **you** to do in order to:
- 26.2.1 perfect or improve **our** security over the **property**;
 - 26.2.2 help **us** or any receiver do anything which **we** are or he is entitled to do;
 - 26.2.3 protect, let, manage or sell the **property**; and
 - 26.2.4 to claim and receive any compensation due on the **property** or any right or claim connected with it.
- 26.3 By means of this power of attorney, **we** may do anything which **you** are required to do under these **conditions**, including signing any documents on **your** behalf.
- 26.4 **We** will be entitled to delegate **our** power of attorney to third parties where this is reasonably necessary to help the exercise of **our** powers under this security. Any **expenses** that **we** are charged in relation to that delegation would be added to **your mortgage account**.
- 26.5 **We** will not be liable for anything which is done under the power of attorney unless **we** have failed to take reasonable care.
- 26.6 The power of attorney remains in effect until the **amount owed** has been fully repaid.

27 Our power to transfer

- 27.1 **You** agree that **we** may **transfer** some or all of **our** rights under the **mortgage** at any time.
- 27.2 **We** may provide to any proposed or actual **transferee** of any of **our** rights under the **mortgage** any information about **you**, the **loan**, the **mortgage**, the **property**, any guarantor, or the conduct of the **mortgage account**.
- 27.3 If **we** make a **transfer** of some or all of **our** rights under the **mortgage**, the **transferee** or its agent can exercise the rights and enforce **your** obligations to the same extent as **we** could before the **transfer**, including the right to change the **interest rate** in accordance with these **conditions** and the **mortgage offer**.
- 27.4 If **we transfer** any of **our** obligations under condition 27.1, **you** will be able to enforce the transferred obligations against the **transferee** in the same way as **you** could enforce them against **us** before the **transfer**.
- 27.5 **Your** rights and obligations under the **mortgage** are personal to **you** and therefore **you** are not entitled to transfer them to anyone else.

28 Notices

- 28.1 If these **conditions** require notice to be given by **us** to **you** in connection with **your mortgage**, **we** may give notice to **you** by:
- 28.1.1 hand delivering the notice to **you** at the **property**;
 - 28.1.2 sending the notice to **you** by first or second class post at the **property** (in which case the notice will be taken as having been received by **you** on the day it would arrive in the normal course of post); or
 - 28.1.3 if **you** have agreed that **we** may give **you** notice under these **conditions** by e-mail or fax, by sending the notice to **you** at the last e-mail address or fax number **you** have provided to **us**.
- If **you** have a **buy to let mortgage**, also see condition 34.2.
- 28.2 If **you** need to issue a notice to **us**, **you** must send it to **us** at FREEPOST INVESTEC MORTGAGES or any other address that **you** are given for this purpose from time to time.

29 Mistakes

- 29.1 If **we** miscalculate the amount payable by **you** to **us** or make any other mistake in relation to the **mortgage** it will not affect any of **our** rights, including **our** ability to claim the right amount from **you** either before or after the **mortgage** has been released with interest at the **interest rate** until repayment. However, **we** will act reasonably in exercising **our** rights.
- 29.2 If **we** have made an administrative error in confirming to **you** that the **amount owed** has been repaid in full, **you** are personally liable for any amount which is later found to be owing on **your mortgage account**. However, **we** will act reasonably in exercising **our** rights.
- 29.3 This does not affect any legal rights which **you** have as a result of the **amount owed** being understated.

30 Other conditions

- 30.1 Subject to any legal or regulatory requirements to the contrary, **we** have the right to obtain a copy of the entirety of **your** legal adviser's file pertaining to the **mortgage** at any time upon **our** request, and **you** have agreed to waive any applicable rights of confidentiality in this regard.
- 30.2 If on any occasion **we** decide not to hold **you** to **your** obligations or make full use of **our** rights, this will not affect **our** rights or powers in any other way.
- 30.3 If **you** break one of these **conditions** and **we** agree to take no action in relation to that breach, **we** will still be able to take action if **you** break that condition in the future or **you** break any other condition.
- 30.4 Each part of these **conditions** is separate from the others. If **we** cannot legally enforce any particular condition this will not stop **us** from enforcing the other conditions.
- 30.5 It is not intended that any third party should have any rights under these **conditions**.
- 30.6 **We** may make changes to these **conditions** for either of the following reasons:
- 30.6.1 to reflect changes in the law, any applicable regulation, codes of practice or any decision of a court; and/or
 - 30.6.2 to reflect a decision, recommendation or requirement of an ombudsman, regulator or similar body.
- 30.7 **We** will give **you** reasonable notice of any change in one of the ways set out in condition 28.

31 Law

- 31.1 These **conditions** are governed by the law of England and Wales. **You** agree that action may be taken against **you** in the English or Welsh courts and in the courts of any other territory in which **you** may have assets.

Part 2 – Buy To Let Conditions

This Part 2 only applies if **you** have a **buy to let mortgage**. Part 1 also applies.

32 Your obligations

32.1 **You** agree that:

- 32.1.1 **you** will let the **property** within one **month** of the date of the **mortgage deed**;
- 32.1.2 any tenancy granted must be an Assured Shorthold Tenancy agreement in accordance with the Housing Act 1996 for a term not exceeding or not capable of exceeding twelve (12) **months** in total;
- 32.1.3 **you** will ensure that the tenant and any other party to the tenancy agreement complies with the terms of the lease, head lease or any other lease(s)/agreement(s) that affect the **property**; and
- 32.1.4 **you** will advise **us** of any change to **your** correspondence address.

32.2 **You** agree not to do any of the following without first obtaining **our** prior written consent:

- 32.2.1 occupy the **property yourself** or allow **your** partner or any member of **your** family to occupy the **property**;
- 32.2.2 agree to change any of the terms of the tenancy agreement or break any of its terms;
- 32.2.3 allow the tenant to do anything which, if **you** had done it, would be a breach of condition 21.2; and
- 32.2.4 grant any new or extended tenancy agreement, unless it complies with the **mortgage offer** and any requirements that **we** specify from time to time.

32.3 If the **property** ceases to be let:

- 32.3.1 **you** will do all that **you** can to re-let the **property** as soon as possible; and
- 32.3.2 **you** will comply with any terms of any insurance policy relating to the **property** remaining vacant.

33 Tenants

33.1 The following are not acceptable to **us** as tenants of the **property**:

- 33.1.1 multiple tenancies (houses in multiple occupation);
- 33.1.2 tenants in receipt of housing benefit;
- 33.1.3 local authority tenants;
- 33.1.4 people who could claim diplomatic immunity; or
- 33.1.5 embassies.

34 Our rights

34.1 If any material change occurs in **your** financial or other circumstances which in **our** reasonable opinion affects **your** ability to repay the **amount owed**:

- 34.1.1 **you** will repay the **amount owed** immediately; and
- 34.1.2 **we** may do any of the things listed in condition 22.2.

34.2 **We** will use the latest correspondence address given by **you** for the purpose of any notices, instead of sending notices to **you** at the **property**.

You can call us on **0800 877 8000** to request a copy of these mortgage conditions in larger print or audio.