



# Buy-to-Let Mortgage Conditions

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0800 532 532

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## What You need to know about these Conditions

- 1.1 these **Conditions** are legally binding on **You** and any **Guarantor**
- 1.2 these **Conditions** explain what your responsibilities are in relation to the **Property**
- 1.3 these **Conditions** explain what happens if **You** do not pay back the **Loan** on the terms set out in the **Mortgage**
- 1.4 these **Conditions** and the **Mortgage Offer** are important documents. If **You** are unsure about what these **Conditions** or what the **Mortgage Offer** mean, speak to **Your** legal advisor

### **YOUR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP PAYMENTS ON YOUR MORTGAGE OR IF YOU DO NOT COMPLY WITH THESE CONDITIONS**

In these **Conditions**, unless the content otherwise requires, the following expressions have the following meanings:

## Definitions

### The Words

#### **Capital Repayment Mortgage**

### The Meaning

A **Mortgage** (or part) where the Monthly Payments include capital and interest. The **Mortgage Offer** will state if the **Mortgage** is on this basis.

#### **Conditions**

These Buy to Let **Mortgage Conditions** (2023), which incorporate the **Mortgage Offer**.

#### **Debenture**

The debenture document (if any) **You** sign giving **Us** a charge over all **Your** assets in **Our** favour (in any event only if **You** are a corporate entity).

#### **Event of Default**

Any one or more of the events set out in Condition 11.

#### **Guarantee**

The guarantee document (if any) executed by a **Guarantor** in **Our** favour.

#### **Guarantor**

Any person who has guaranteed payment to **Us** of all or any part of the **Loan** or the performance of all or any of **Your** obligations under the **Mortgage**.

## The Words

## The Meaning

<b>Interest Only Mortgage</b>	A <b>Mortgage</b> (or part) where the Monthly Payments are interest only. The <b>Mortgage Offer</b> will state if the <b>Mortgage</b> is on this basis.
<b>Interest Rate</b>	The rate of interest shown in the <b>Mortgage Offer</b> or the new rate of interest if We change it in accordance with the <b>Mortgage</b> (including as set out in Condition 4 below). There may be different rates of interest if there is more than one <b>Mortgage Advance</b> and references are to the relevant rate for the relevant <b>Mortgage Advance</b> .
<b>Loan</b>	The balance of the <b>Mortgage Advance</b> , costs, charges, expenses and unpaid interest on <b>Your</b> account for the <b>Mortgage</b> now or subsequently due or owing from <b>You</b> to <b>Us</b> , whether actually or contingently, whether as principal or surety and whether solely or jointly with any other person or in any manner whatsoever.
<b>Loan Period</b>	The term specified in the <b>Mortgage Offer</b> . This is the period which begins with the <b>Mortgage Advance</b> Date and ends with the date when <b>You</b> should have repaid the whole or an agreed part of the <b>Loan</b> . We may change the <b>Loan Period</b> in accordance with these <b>Conditions</b> .
<b>LTV</b>	Shall have the meaning ascribed to it in <a href="#">Condition 29.2</a> .
<b>Monthly Payment</b>	The payment which <b>You</b> must make to <b>Us</b> each month under the <b>Mortgage</b> as shall be varied by <b>Us</b> from time to time under the <b>Mortgage</b> .
<b>Mortgage</b>	The agreement between <b>You</b> and <b>Us</b> , which is set out in the <b>Mortgage Deed</b> , the <b>Mortgage Offer</b> and these <b>Conditions</b> and the <b>Debenture</b> (if applicable), and any further mortgage or charge made pursuant to the <b>Mortgage</b> . This gives <b>Us</b> security over the <b>Property</b> in return for <b>Us</b> giving <b>You</b> the <b>Mortgage Advance</b> .
<b>Mortgage Advance</b>	The amount shown as the mortgage loan in the <b>Mortgage Offer</b> which, subject to these <b>Conditions</b> , is the amount which will be lent (and includes any further <b>Mortgage Advance</b> We make, which is secured by the <b>Mortgage</b> together with all sums which We pay on <b>Your</b> behalf in accordance with any <b>You</b> have with <b>Us</b> ).
<b>Mortgage Advance Date</b>	The date of <b>Our</b> cheque or electronic transfer of the whole or any part of the <b>Mortgage Advance</b> .

## The Words

### Mortgage Deed

## The Meaning

The document **You** sign giving **Us** a charge over the **Property**.

### Mortgage Offer

Each written offer issued by **Us** to **You** giving the terms on which We have offered to make the **Mortgage Advance** to **You**, together with any other offers or correspondence issued by **Us** to **You** amending the same, including offers for any further **Mortgage Advance**. These include any general offer conditions, or special or other conditions incorporated into such offers.

### Occupations

Each and all of the leases, tenancies, agreements for leases or tenancy licences or other occupational interests (and any documents supplemental to these, including any rent deposit deed) which the **Property** has the benefit of or is subject to from time to time.

### Property

The **Property** described in the **Mortgage** or any part or parts of it together with all **Your** estate, rights, title and other interests in such **Property** and all buildings, structures, fixtures and fittings and the fixed plant and machinery and all fixed apparatus, goods, materials, and equipment from time to time on or belonging to it.

### Receiver

Any receiver or receiver and manager for the time being appointed by **Us** under or by virtue of the **Mortgage** and if more than one receiver or receiver and manager has been appointed, all or any of them.

### Rents

**Rents** or other sums (other than the sums representing or on account of insurance premiums, service charges and the like) payable under any **Occupations** (including without limitation any Value Added Tax payable on or in respect of the same) and all insurance moneys payable in respect of loss of rents.

### Valuation

A valuation of the **Property** on **Our** behalf by a valuer approved by **Us**.

### We, Us and Our

State Bank of India (UK) Limited and anyone who takes over any of **Our** legal rights and/or duties under the **Mortgage**.

### You and Your

The person or company named in the **Mortgage** as the borrower and his, its or their successors in title and any person (other than a **Guarantor**) who undertakes the obligations of the borrower.

- Words importing the masculine gender shall include the feminine and neuter genders.
- Words importing the singular shall include the plural and vice versa.
- Where there are two or more persons included in the expression **You** or **Your** obligations and **Conditions** expressed as being by, on or affecting **You** shall be held to bind such persons jointly and severally so that each of **You** is fully liable to perform the obligations and be subject to the **Mortgage** and references to **You** include each and/or every one of **You**.
- Any reference to any law or regulation includes any change to or re-enactment of it and all statutory instruments, orders and regulations made under it.
- Where reference is made to a month this shall be read as a calendar month, and where reference is made to a year this shall be a calendar year.
- Where reference is made to a corporate entity, this shall mean a company, corporation, limited liability partnership or other entity having a corporate structure.
- The headings to each provision shall not affect the construction of these **Conditions**. Reference to a provision is to a provision in these **Conditions**.

## 1 Your Loan

1.1 **You** agree that the security created by the **Mortgage Deed** is **Our** security not only for the **Mortgage Advance** but also for all the money that **You** now owe **Us** or may owe **Us** in the future on any account. For example, this could include:

- a The **Loan** and any extra money **You** borrow from **Us**;
- b Any other item which **You** owe **Us** under the **Mortgage**; and
- c Interest, costs, and expenses.

1.2 These amounts can be owed to **Us** by:

- a **You** alone;
- b **You** and another person;
- c **You** as a guarantor;
- d **You** actually now or in the future; or
- e **You** in any way whatsoever.

1.3 **You** agree to pay all of the amounts set out above in accordance with these **Conditions**.

## 2 Additional Security

As a continuing security for payment to **Us** of the **Loan** and any other indebtedness **You** owe to **Us**, **You** charge to **Us** with full title guarantee by way of **Mortgage** the benefit of all insurance policies and the proceeds of any proceeds thereunder in relation to the **Property**, any interest **You** have to and in the **Occupations** and the **Rents** together with the benefit of any guarantees, suretyships, indemnities, rent deposits or other security (whether proprietary or by way of personal covenant and whether from a tenant or a third party) from time to time or in respect of any of the **Occupations** providing that nothing in this condition shall constitute **Us** as mortgagee in possession.

## 3 Monthly Payments

3.1 Subject to the rest of these **Conditions** **You** agree to pay **Us**:

- a The **Monthly Payment** for each month;
- b Any extra amounts of money which **You** may owe **Us** as set out in the **Mortgage**; and
- c The whole of the **Loan** in full by the end of the **Loan Period**.



- 3.2 **You** must make Monthly Payments on the date of each month specified by **Us** from time to time during the **Loan Period** until **You** have repaid the **Loan**.
- 3.3 **You** agree that if **You** have a **Capital Repayment Mortgage** We can use (at **Our** discretion) the Monthly Payments **You** give **Us** to repay any part of the **Loan** however We reasonably decide is appropriate even if **You** have asked **Us** to apply it against a particular part of the **Loan**.
- 3.4 If **You** cannot, or if We have agreed that **You** do not have to, make a **Monthly Payment**, We will still charge interest at the **Interest Rate** on the **Loan** unless We expressly agree in writing not to.
- 3.5 We may set and vary Monthly Payments from time to time to reflect changes in:
- a The **Interest Rate**;
  - b The **Loan**;
  - c The payment method;
  - d The **Loan Period**; and/or
  - e The date of the Monthly Payments.

**You** will be notified of any change in Monthly Payments by notice given as set out in accordance with Condition 22 save that **You** will receive 14 days' notice of any change to **Your Monthly Payment**. **Interest Rate** changes will take effect from the first of the month following the date of change.

## 4 Interest

- 4.1 The **Interest Rate** We will charge **You** will be the rate or rates We have told **You** in the **Mortgage Offer** or as varied under the **Mortgage**, including this [Condition 4](#).
- 4.2 The **Mortgage Advance** (or any instalment of it) will bear interest, beginning on the following dates:
- a Where We release the money electronically by BACS on the second day after the day the **Mortgage Advance** is released;
  - b Where We release the money electronically by CHAPS on the day the **Mortgage Advance** is released; and
  - c Where We pay the **Mortgage Advance** by cheque on the second day after the date of the cheque.
- 4.3 When calculated for part of any month, interest will be calculated on a daily basis based on the number of days in the said month.

- 4.4 Interest which accrues between the day it accrues interest as set out in Condition 4.2 until the month-end must be paid with the Monthly Payments due in the month following that day.
- 4.5 We calculate interest:
- a On the **Loan** outstanding at each month-end; and
  - b Whenever the **Interest Rate** changes; and
  - c When any amount is advanced to or becoming owing by **You**.
- 4.6 Interest will continue to be charged at the **Interest Rate** even if a court makes an order for possession or after We obtain judgement, or if **You** give **Us** possession of the **Property** or if the **Property** is taken into possession, until the **Property** is sold, and the **Loan** and any other indebtedness is paid in full.
- 4.7 Any unpaid interest will be added to the outstanding balance of the **Loan** at the end of the month in which it accrued, and interest will be charged upon the **Loan** calculated in accordance with Condition 4.5 above.
- 4.8 Any unpaid fees and other debits will be added to the outstanding balance of the **Loan** as such as they are due and interest will be charged upon the **Loan** calculated in accordance with Condition 4.5 above.
- 4.9 **You** agree to pay **Us** interest, at the **Interest Rate**, on the amount of the **Loan** from the **Mortgage Advance** Date. If We keep back part of the **Mortgage Advance**, We will only charge interest on the amount We have actually lent **You** as well as any other parts of the **Loan** (such as fees or expenses) which are accruing interest or **Your** accounts in accordance with these **Conditions**.
- 4.10 If **You** do not pay **Us** interest by the date it is due or when We charge **You** interest, We will add the unpaid interest to the **Loan** so it becomes part of the **Loan**. From that point on, We can charge **You** interest, at the **Interest Rate**, on the part of the **Loan**, which represents the unpaid interest.
- 4.11 Depending on the other conditions and providing there are no arrears, **You** agree that if **You** have an **Interest Only Mortgage**, or if We receive more than is necessary to pay the interest due after the interest has been paid, We can use the Monthly Payments **You** pay to **Us** to repay any part of the **Loan** as We choose even if **You** have not asked **Us** to apply it against any part of the **Loan**.
- 4.12 We may reduce the **Interest Rate** at any time, and the **Interest Rate** will vary in accordance with the **Mortgage Offer**. Where the **Mortgage Offer** states that the **Interest Rate** is variable but does not track another rate (such as the Bank of England Base Rate) then We will only increase the **Interest Rate** for one or more of the following reasons:
- a In accordance with the **Mortgage Offer**;

- b To reflect changes in general interest rates, including the interest rates or terms on which similar products are offered by other providers of financial services;
- c To reflect any changes or reasonably anticipated changes in the law, regulations or codes of practice or to respond to a decision by a court, ombudsman or regulator;
- d To reflect changes which have occurred, or which We reasonably believe will occur, to **Our** costs, including administrative costs, costs involved in providing services or facilities or changes in the costs to **Us** of borrowing funds or otherwise funding **Our** loans;
- e To reflect any change in the value of the **Property** resulting from its use or occupation; or
- f To reflect a change in the credit risk relating to the **Mortgage** or to **Our** loans generally,

PROVIDED THAT if **You** are dealing with **Us** a consumer for the purposes of the Consumer Rights Acts 2015 in respect to the **Mortgage** (a "Consumer"), if any of the above reasons are found to be invalid, We may still vary the **Interest Rate** for any of the remaining reasons above or any other valid reason.

- 4.13 If you are not dealing with **Us** as a Consumer, regardless of any **Interest Rate** provision to the contrary in the **Mortgage Offer**, We may, subject to Condition 4.14, increase the **Interest Rate** at any time after the occurrence of any of the events set out in Condition 11 (Default and Enforcement).
- 4.14 We may only increase the **Interest Rate** under Condition 4.13 where We believe, acting reasonably, that the relevant breach or event giving rise to a right to increase the **Interest Rate** has had, or is likely to have, a material adverse effect on:
  - a **Our** ability to perform or otherwise comply with all or any of **Our** obligations under the **Mortgage**; or
  - b **Our** business, operations, property, condition (financial or otherwise) or prospects.

If this is the case then any increase shall be for such amount and applied for such period as We, acting reasonably, consider appropriate to compensate **Us** for, or to reflect the increased risk to **Us** arising from, the adverse effect.

## 5 Types of Mortgage

- 5.1 If **You** have a **Capital Repayment Mortgage** the Monthly Payments will be calculated by **Us** to include interest and capital so that the **Mortgage Advance** and all interest will be repaid over and by the end of the **Loan Period**.

- 5.2 If **You** have an **Interest Only Mortgage** the Monthly Payments will be of interest only. **You** will be liable to repay the **Mortgage Advance** (and any other interest, costs, expenses and charges outstanding) at the end of the **Loan Period**, and interest and other costs, expenses, and charges will continue to be charged under the **Mortgage** until payment in full. It is **Your** responsibility to ensure that the value of any savings or investment policy or plan **You** are relying on to do this will be sufficient to repay the **Loan** in full at the end of the **Loan Period**. We cannot accept responsibility for any savings or investment policy of plan **You** choose. If the policy or plan does not provide enough to repay the whole of the **Loan** at the end of the **Loan Period**, **You** will still be responsible for paying what **You** owe.
- 5.3 If the **Mortgage** is in part a **Capital Repayment Mortgage** and in part an Interest Only **Mortgage**, then the relevant provisions will apply to the relevant parts.
- 5.4 If **You** have an **Interest Only Mortgage** and:
- a Any of the events in Condition 11 occur; or
  - b **You** are unable to repay the **Loan** at the end of the **Loan Period**; or
  - c if **You** have not demonstrated that **You** made adequate arrangements (satisfactory to **Us** as a prudent lender) to build up a sum of money with which to repay the **Loan** at the end of the **Loan Period**,

We may, but are not obliged to, change this to a **Capital Repayment Mortgage**.

## 6 Your Responsibilities

- 6.1 **You** will at all times during the continuance of the security created by the **Mortgage**:
- a Put and keep the **Property** in good and substantial repair and condition and free from defects;
  - b Not make or permit or allow to be made any alteration or addition to the **Property** (whether by way of alteration or addition to any building or structure now or in future on the **Property** or by the erection of any new building or structure of otherwise) nor make or permit or allow to be made any application for planning permission or change in the use of the **Property** or any part of it;
  - c Not apply for an improvement grant or grants in respect of the **Property**;
  - d Observe and perform and comply with regulations and all laws, orders, directions and all other statutory notices and requirements of any nature relating to or affecting the **Property** or its use any other part or any business carried on at it;
  - e Upon receipt of any such notice, order, regulation, direction or requirement of the kind referred to in Condition 6.1(d) which (or a copy of which) is

served upon **You** or otherwise comes to **Your** notice, deliver a copy to **Us** and at **Your** expenses take such steps as **We** reasonably require in objecting to or appealing against or otherwise challenging any order or proposal affecting the **Property**;

- f Not occupy the **Property** yourself nor grant or agree to grant any leases or licences or accept a surrender of any leases or licences of the **Property** nor agree any variations to or any rent reviews pursuant to any such leases or licences except that **You** can grant one or more assured shorthold tenancies in accordance with Condition 7;
- g Comply with **Your** obligations as landlord, and not grant any licence or consent to a tenant without **Our** prior consent in writing on the understanding that if under the terms (express or implied) of the lease **Your** consent is not to be unreasonably withheld, such consent on **Our** part shall not be unreasonably withheld;
- h Unless permitted by Condition 6.1(f) not part with possession or occupation of the **Property** or part of it or share such possession or occupation;
- i Where the **Property** is leasehold, pay the rent reserved by the lease, duly and punctually and in the same manner observe and perform all the covenants and conditions on the part of the tenant and not without **Our** prior written consent (not to be unreasonably withheld or delayed) agree to any amendments of the lease under which the **Property** is held;
- j Not without **Our** prior written consent convey, assign, transfer, **Mortgage** or otherwise dispose of the **Property** or part of it nor agree to do any of the foregoing acts and **You** will apply to the Chief Land Registrar in the **Mortgage Deed** for entry of the following restriction in the Proprietorship Register of the **Property**:  
  
*"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of State Bank of India (UK) Limited referred to in the charges register."*
- k Not without **Our** prior consent (not to be unreasonably withheld or delayed) exercise any option, election or discretion to transfer the right to recover any value added tax nor to exercise any option to tax or to levy value added tax on any supplies made in respect of the **Property**.

## 7 Terms of Occupations

- 7.1 For the avoidance of doubt, provided **You** comply with conditions 7.3 to 7.7 below, **Our** consent to any tenancy, letting or sharing of possession of the **Property** will not be required. However, **We** may give notice to **You** at any time and from the date of the giving of that notice **You** will need to obtain **Our** consent as set out below in

## Condition 7.2.

- 7.2 In the event **You** fail to comply with these **Conditions**, or **You** are given notice by **Us** under Condition 7.1 above, **You** must obtain **Our** consent to any tenancy, letting or sharing of possession to the **Property** or part of it.
- 7.3 Without limiting the duty on **You** under Condition 7.2 above any tenancy, letting or sharing of possession of the **Property** must be on the following terms:
- a Subject to Condition 7.5a, the letting must only allow the **Property** to be used as a private dwelling for the occupation of the tenant and the tenant's immediate family for residential purposes;
  - b The **Property** must be let as a whole, and no alterations are made to allow it to be let as separate self-contained units;
  - c The letting must not confer any security of tenure on the tenant(s) beyond the end of the contractual term of the tenancy agreement;
  - d The letting must not be for less than six months and not be for more than 12 months in writing to **Us**;
  - e Any tenancy agreement must: (i) be in the form of an assured shorthold tenancy (as defined in the Housing Act 1996); and (ii) contain no terms which can adversely affect **Our** interest in the **Property** under the **Mortgage**;
  - f The tenancy agreement must provide that no sub-letting is allowed;
  - g The tenancy agreement must not contain an option allowing the tenant to renew the tenancy agreement upon expiry;
  - h The tenancy agreement must provide for the tenant to pay all usual utility bills and council tax for the **Property**;
  - i The tenancy agreement must include a provision allowing **You** to terminate the tenancy early if the tenant is in breach of any term of the tenancy agreement;
  - j The rent under the tenancy agreement must not be less than the open market rental value of the **Property**. Rent must be payable either weekly or monthly and in advance;
  - k The following clause must be included within all future tenancy agreements in relation to the **Property**:

*"This property is subject to a mortgage in favour of State Bank of India (UK) Limited. It is irrevocably agreed between the parties that the tenant will if so required by State Bank of India (UK) Limited or the landlord, make rental*

*payments (in full or in part) directly to State Bank of India (UK) Limited in a manner duly specified at the time of any such request”;*

- l Any deposit must be held by a body approved by the Government pursuant to the requirements of the Housing Act 2004;
- m References about the ability to pay the rent and character must be obtained for the proposed tenant(s) and must be made available to **Us** when We ask for them;
- n If there is more than one tenant, **You** must get all tenants to sign one tenancy agreement providing that each of the tenants is jointly and severally responsible for all of the rent and carrying out all of the obligations;
- o **You** must tell the insurers about the tenancy if **Your** insurance requires this;
- p **You** must get **Your** landlord’s permission if **Your Property** is leasehold, and **Your** lease requires this;
- q **You** must make sure that **You** and any agent **You** appoint comply with all legislation and any regulations and obtain any necessary licences, permits, authorisations and consents which may apply or be required in relation to letting properties; and
- r **You** must not change the terms of the tenancy without **Us** agreeing in writing.

7.4 If the **Property** has a tenant when **You** buy it, the existing tenancy must be consistent with the above conditions, and **You** must comply with the above conditions in relation to that existing tenancy.

7.5 Without limiting **Your** duty to obtain **Our** consent under Condition 7.2, please note that the following are unacceptable as tenancy arrangements:

- a Multiple tenancies (excluding where the **Property** is a house in multiple Occupation);
- b Holiday lets; and/or
- c Sale and rent back,

and the following are unacceptable as tenants:

- d **Your** family members (including for example, **Your** spouse, civil partner, parents, grandparents, siblings, children, grandchildren, children of **Your** siblings or grandparents);

- e People entitled to diplomatic immunity;
  - f Councils, registered housing providers or such similar organisations where the **Property** will be used as emergency accommodation;
  - g People who are asylum seekers; and/or
  - h People who do not have a valid right to occupy the **Property** in accordance with the provisions of the Immigration Act 2014.
- 7.6 **You** must do whatever is legally necessary to ensure that **Your** tenants carry out their obligations under the tenancy agreement and do not waive or release or vary these without **Us** agreeing in writing.
- 7.7 **You** must let **Us** know if the **Property** is unoccupied for 28 or more consecutive days.
- 7.8 The criteria for tenancies or tenants We set down in this Condition 7 can be varied by **Us** by notice in writing at any time to reflect:
- a Changes or reasonably anticipated changes in law, regulation and/or guidance; or
  - b Changes We introduce to **Our** standard policies acting as a reasonable and prudent lender.

## 8 Responsibilities in Respect of Your Letting Business

- 8.1 **You** will at all times:
- a Conduct and carry on **Your** letting business in a proper and efficient manner and keep or cause to be kept proper books of account relating to such business and when required produce the same to **Us** and where **You** are a company or limited liability partnership, keep such books of account and all other documents relating to **Your** company or limited liability partnership affairs at its place of business and punctually pay, as the same become due, all debts and liabilities which by law would have priority to all or any part of the security created by the **Mortgage**;
  - b Punctually pay or cause to be paid all **Rents**, rates, taxes, duties, assessments and other outgoings payable in respect of **Your** letting business, its **Property** and assets and, when required, produce to **Us** the receipts for such payments;
  - c Comply with all requirements as to filing returns and audited accounts and other notices or documents which are required to be filed at Companies House and, at the same time as filing the same at Companies House, supply copies of them to **Us**;
  - d Where **You** are a company, **You** will notify **Us** and obtain **Our** approval (not



to be unreasonably withheld or delayed) of any proposed change in the directors of the company or shareholding and if so requested by **Us** procure a guarantee from any new director(s) approved by **Us**;

- e Where **You** are a limited liability partnership, **You** will notify **Us** and obtain **Our** approval (not to be unreasonably withheld or delayed) of any proposed change to the members of the limited liability partnership and if so, requested by **Us** procure a guarantee from any new member(s) approved by **Us**;
- f Where **You** are a company **You** will not while the **Loan** is outstanding repay any directors' loans made to **You** without **Our** prior written consent; and
- g Where **You** are a limited liability partnership, **You** will not, while the **Loan** is outstanding, repay any members' loans made by **You** without **Our** prior written consent.

## 9 Property Insurance Obligations

- 9.1 Until the **Loan** has been repaid in full, **You** must at **Your** own expense, arrange for and insure the **Property** and keep it insured (by paying all premiums and other money necessary to effect and keep up the insurance within one week of them becoming due) with reputable insurers, for its full rebuilding cost (being the full cost of rebuilding the **Property** to its original form (or as close to it as is reasonably possible), including site clearance, all professional fees and the cost of meeting all planning, local authority and other legal and regulatory requirements plus VAT, together (in the case of leasehold properties) with loss of rent for 12 months). We may require that We approve the insurer, risk and terms of this insurance. The insurance must:
- a Note **Our** interest on the policy and **You** must confirm the endorsement promptly to **Us** in writing; or,
  - b If **You** are not allowed to make this endorsement, **You** must promptly inform the insurance company in writing about **Our** interest, duly notify **Us** of the position, receive **Our** further instructions (if any) and then ensure that the policy is in a form and contains such provisions as cover loss or damage by fire, storm, flood, burst pipes, lightning, explosion, riot, civil commotion, malicious damage, impact by aircraft or other aerial devices or articles dropped therefrom or by any road vehicle, train, animal or falling tree, earthquake, subsidence, heave and landslide and other risks that we may from time to time reasonably require for **Our** protection; or
  - c Be in such other form as We may require.
- 9.2 If the **Property** is leasehold and the lease says that the landlord insures or the tenant must insure with a specific insurance company, We will accept this as long as **You** agree to:
- a Make sure that the landlord complies with insurance provisions in the lease;

- b Make certain that the insurance is on the same terms as set out in Condition 9.1; and
- c Make certain that **Our** interests are endorsed on the insurance policy. If **You** are not allowed to make this endorsement, **You** must promptly inform the insurance company in writing about **Our** interest.

9.3 If **You** fail to insure the **Property** or procure the landlord does so, **We** may but shall not be obliged to do so. **We** may add the cost of obtaining such insurance to the **Loan** and interest will be charged on this amount. **We** reserve the right to use monies kept by **You** in any account held with **Us** to pay any premiums and other monies due to effect and maintain the insurances.

9.4 **You** shall promptly provide **Us** with a copy of the latest insurance certificate upon request from **Us**.

9.5 **You** must not do anything that will invalidate the insurance, for example, giving false information to your insurer or leaving the **Property** unoccupied for more than the period of time specified in the insurance policy.

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. Any money paid directly to **You** by the insurers will be held by **You** on trust for **Us** and promptly paid to **Us** upon **Our** request. Subject to the provision of any lease or other title document under which **You** hold an interest in the **Property**, the settlement money shall be used as **You** may decide either to reinstate the **Property** or in or towards payment of the **Loan** in full. If **You** decide to use the money to reinstate the **Property**, **We** can keep the money whilst the repairs or rebuilding are being carried out and only 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.

9.6 **We** shall not be obliged to release any (more) funds. If **You** use the money to pay off the **Loan** and there is a surplus after the **Loan** and any other amounts secured by the **Mortgage** have been paid, **We** may forward the surplus to a second chargee of whom **We** are aware or to any other person entitled to receive it. If the money is not sufficient to pay the **Loan** in full, **We** may take action to recover the shortfall.

## 10 Compliance with Your Property Responsibilities

10.1 **You** will permit **Us** and any person **We** appoint to enter in or upon the **Property** or any part of it at any time upon reasonable prior notice:

- a To view the state and condition of the **Property** and verify the performance by **You** of **Your** obligations under the **Mortgage**;
- b To execute any works and do anything to ensure compliance with any obligation under the **Mortgage** if **You** have not done so; and
- c To comply with any legal requirement, order, direction, requisition,

permission, notice or other matter and to do all acts and things We reasonably require to comply if **You** have not done so.

## 11 Default and Enforcement

- 11.1 On any of the following events the security constituted by the **Mortgage** shall become immediately enforceable without further notice to **You**. We shall cease to be under any further commitment to **You**. We shall cease to be under any further commitment to **You** to make any **Mortgage Advance** and the **Loan** shall immediately become due and payable without the necessity on **Our** part of making any demand for payment and the provisions of the **Mortgage** regarding enforcement of the security shall apply:
- a **You** fail to make any **Monthly Payment** or any other payment which **You** should make under the **Mortgage**, in each case when due or within a reasonable period of **Us** requesting **You** to do so;
  - b **You** are in breach of any of **Your** material covenants or obligations under the **Mortgage** or any other security document in **Our** favour either when that obligation is due or within a reasonable period of **Us** requesting **You** to do so;
  - c Where **You** fail to comply with any request for payment or additional security under Condition 26 in accordance with provisions of that condition;
  - d An encumbrancer takes possession, or a Receiver or similar officer is appointed in respect of the whole or any part of **Your** assets and undertaking or those of any **Guarantor**;
  - e Distress or execution or other process is levied or enforced upon or against any of **Your** or any **Guarantor's** property or assets;
  - f The security constituted by any security document, mortgage, floating charge or charge (other than the **Mortgage**) created by **You** or any **Guarantor** shall become enforceable;
  - g Any indebtedness or obligation of **Yours** or any **Guarantor** for borrowed money (other than the **Loan**) shall become due and payable prior to the stated date for maturity;
  - h Any statement, representation or warranty made by or on behalf of **You** or any **Guarantor** proves to be incorrect or inaccurate;
  - i It becomes unlawful for **You** or **Your Guarantor** or **Us** to perform obligations under the **Mortgage** or any other security document in **Our** favour or guarantee either in whole or in part;
  - j Any licence, authorisation, consent or registration at any time necessary to

enable **You** to comply with its obligations to **Us** or to carry on **Your** business in the normal course is revoked, withheld, materially modified, fails to be granted or perfected, or ceases to remain in full force and effect;

- k If **You** occupy the **Property** yourself or if (without **Our** prior written consent) the **Property** is vacant or remains unoccupied for a period of 28 days or more;
- l If the **LTV** exceeds the percentage agreed in **Your Mortgage Offer** and **You** fail to repay to **Us** such part of the **Loan** so that the **LTV** no longer exceeds the agreed percentage within 15 days of **Us** requesting such payment in writing;
- m Any event happens which has been agreed or in the future is agreed in writing between **You** and **Us** whether and in the terms of a **Mortgage Offer** or otherwise as an event of default upon the happening of which the security constituted by the **Mortgage** and/or any other security for all the **Loan** shall become enforceable; and/or
- n Any circumstances arise which give grounds, in **Our** reasonable opinion, for the belief that either **You** or any **Guarantor** may not (or may be unable to) perform or comply with their obligations under the **Mortgage** or a guarantee.

11.2 In addition to Condition 11.1, but only where **You** and/or the **Guarantor** is an individual or individuals:

- a If **You** or any **Guarantor** applies to the Court for an Interim Order under Part VIII of the Insolvency Act 1986 or calls or a nominee calls a meeting of creditors or any of them for the purposes of considering any agreement, scheme, compromise, moratorium or composition with creditors or any of them or enters into any such arrangement scheme, compromise, moratorium or composition of presents or has presented against him a petition for a Bankruptcy Order under the Insolvency Act 1986 or is otherwise declared bankrupt in the United Kingdom or elsewhere or **You** are unable to or admit **Your** inability to pay debts as they fall due; and/or
- b If **You** or any **Guarantor** dies.

11.3 In addition to Condition 11.1, where **You** and/or any **Guarantor** is a corporate entity (including a limited liability partnership): -

- a **You** or any **Guarantor** has a petition for an Administration Order presented against it or resolves in General Meeting to present a petition for an Administration Order or **Your** directors, or **Your** members (in the case of a limited liability partnership) or any **Guarantor's** directors resolve to present a petition for an Administration order;
- b **You** or any **Guarantor** calls a meeting of creditors or any class of them

or makes an application to the Court under sections 895 and 896 of the Companies Act 2006 or calls or any nominee calls a meeting of **Your** or any **Guarantor's** creditors or any class of them for the purpose of submitting to them a proposal pursuant to Part I of the Insolvency Act 1986 or enters into any arrangement, scheme, compromise, moratorium or composition with creditors or any of them or suffers any distress or execution to be levied on the **Property** or any of **Your** other assets or any **Guarantor** assets in the United Kingdom or elsewhere or **You** are or are found to be insolvent or are unable to or admit **Your** inability to pay debts as they fall due;

- c **You** or any **Guarantor** calls a meeting of members or creditors for the purpose of considering a resolution that **You** or any **Guarantor** be wound up voluntarily (other than a members voluntary winding up for the purpose of a reconstruction or amalgamation which has received **Our** prior written consent), or **You** or any **Guarantor** have a winding up petition presented against **You** or it is wound up voluntarily or compulsory in the United Kingdom or elsewhere;
- d Any change is made in the legal or beneficial ownership of all or any of **Your** or the **Guarantor's** shares, or there is any change of control of **You** or any **Guarantor's** shares, or there is any change of control of **You** or any **Guarantor** without **Our** prior written consent;
- e **You** or any **Guarantor** cease or threaten to cease to carry on the whole or substantial part of **Your** or any **Guarantor's** business or sell, or threaten to sell, or otherwise dispose of, or threaten to dispose of, all or a material part of **Your** or any **Guarantor's** assets (other than in the normal course of trading) whether by one or a series of transactions, related or not; and/or
- f Any other event or series of events or any circumstances whether related or not (including but without limitation any adverse change in **Your** or any **Guarantor's** business, assets or financial condition) occur(s) or arise(s) which, in **Our** opinion, may have a material adverse effect on **You** or any **Guarantor** or **Your** or any **Guarantor's** ability or willingness to perform or comply with any of **Your** or its obligations under the **Mortgage** or **Guarantee** (as applicable).

11.4 Any event referred to in this Condition 11 shall be deemed to also refer to an equivalent event under the laws of any other relevant jurisdiction.

## 12 Power of Sale

12.1 Section 103 of the *Law of Property Act 1925* shall not apply to the **Mortgage** and the security constituted by the **Mortgage** shall become immediately enforceable and the power of sale and other powers conferred on mortgagees by the *Law of Property Act 1925* as varied or extended by the **Mortgage** shall arise on the execution of the **Mortgage** and be exercisable at any time after the **Loan**, the other moneys secured by the **Mortgage** or any part of this becomes due and remains unpaid without the restrictions contained in that Act as to the giving of notice or otherwise.

- 12.2 Notwithstanding any provisions contained in the **Mortgage** or any other document, the **Loan** shall be deemed to have become due and payable within the meaning of *Section 101 of the Law of Property Act 1925* immediately on the execution of the **Mortgage Deed**.
- 12.3 The restriction of the right of consolidating **Mortgage** securities which is contained in *Section 93 of the Law of Property Act 1925* shall not apply to the **Mortgage**.
- 12.4 For the purpose of *Section 99 of the Law of Property Act 1925* the expression "Mortgagor" shall include any encumbrancer deriving title, and subsection (18) of *Section 99 of the Law of Property Act 1925* shall not apply.

## 13 Early Repayment

If **You** repay the whole or part of the **Loan** before the end of the agreed **Loan Period** or if the **Loan** becomes due and payable under Condition 11, an early repayment charge may apply. This will be set out in the **Mortgage Offer**.

## 14 Discharge of Security

Upon irrevocable payment by **You** to **Us** of the **Loan** and any other amounts secured by the **Mortgage** in full, We will at **Your** request and cost duly discharge the **Mortgage** and release the **Property** charged by it. The **Mortgage** will be security for all the money that **You** owe or will owe **Us** on any account. We will not release any **Property** We are holding as security until **You** have paid **Us** all the money **You** owe.

## 15 Receivers

- 15.1 At any time after having been requested so to do by **You** or after the occurrence of any of the events specified in Condition 11, We may appoint one or more persons to be a Receiver (which expression includes in the case of a borrower being a corporate entity an administrative receiver) or receivers of the whole or any part of the **Property**.
- 15.2 We may:
- a remove any Receiver previously appointed under the **Mortgage**; and
  - b appoint another person or other persons as Receiver or Receivers either in the place of a Receiver so removed or who has otherwise ceased to act or to act jointly with a Receiver or Receivers previously appointed under the **Mortgage** (but with the powers to act separately set out in Condition 15.3).
- 15.3 If at any time and by virtue of any such appointment(s) any two or more persons shall hold office as Receivers of the same assets or income to each one or such Receivers shall be entitled (unless the contrary shall be stated in any of the deed(s) or other instrument(s) appointing them) to exercise all the powers and discretions hereby conferred on Receivers and executed any documents individually or together.
- 15.4 Every such appointment or removal and every delegation appointment or removal

by **Us** in the exercise of any right to delegate powers or to remove delegates contained in these **Conditions** may be made either by deed or by an instrument in writing under the hand of any of **Our** officers or any person authorised in writing in that behalf by any such officer.

- 15.5 Every Receiver for the time being holding office by virtue of an appointment made by **Us** shall (subject to any limitations or restrictions expressed in the deed to other instrument appointing him but if **You** are a corporate entity notwithstanding that **You** may have been wound up or an administration order or voluntary arrangement has been made against **You** or **You** are dissolved) have in relation to the **Property** or as the case may be that part of the **Property** in respect of which he is appointed:
- a All the powers (as varied and extended by the provisions of these **Conditions**) conferred by the *Insolvency Act 1986 and the Law of Property Act 1925* and on mortgagors and mortgagees in possession, Administrators, Receivers and Administrative Receivers appointed under those Acts or on **Us** under the **Mortgage** and;
  - b Power in the name or on behalf of and at **Your** cost to exercise all the powers and rights of an absolute owner and do or omit to do anything which **You** could do yourself as an absolute owner and irrespective of any such winding up, administration or voluntary arrangement.
- 15.6 In addition, and without limiting the general powers or rights, every Receiver for the time being holding office by virtue of an appointment made by **Us** shall (notwithstanding that **You** may have been wound up or an administrative order or voluntary arrangement has been made against **You** or **You** have been dissolved) have the following powers:
- a Power to carry on and manage or concur in the carrying on and management of the whole or any part of **Your** business as if he were the absolute beneficial owner thereof including the power where **You** are a corporate entity and have one or more subsidiaries of supervising controlling and financing such subsidiary or subsidiaries and its or their business or businesses and the conduct thereof;
  - b Where **You** are a corporate entity power to promote or otherwise acquire the share capital of anybody corporate with a view to such body corporate becoming **Your** subsidiary and purchasing, leasing or otherwise acquiring an interest in the whole or any part of the **Property** or carrying on any business in succession to **You** or any of **Your** subsidiaries;
  - c Power to take possession of or get in the **Property** and where **You** are a corporate entity for that purpose to make or to require **Your** directors to make calls upon the holders of **Your** share capital in respect of any such capital which remains uncalled and to enforce payment of calls so made and any previous unpaid calls by taking proceedings in **Your** name;
  - d Power to demolish, alter, improve, develop, complete, construct, modify, refurbish the whole or any part of the **Property** and the fixtures and fittings

on it to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which **You** were concerned or interested in prior to his appointment, being a project for the demolition, alteration, improvement, development, completion, construction, modification, rebuilding or reinstatement, refurbishment, or repair of the **Property** (or any part of it) and the fixtures and fittings thereon;

- e Power to repair, maintain, redecorate, fit out and furnish the **Property** or any part thereof and all of the fixtures and fittings on it;
- f Power to provide all services (including without limitation, heating, lighting and cleansing) which may be deemed expedient in relation to the occupation nor management of the **Property**;
- g Power to enter into perform, repudiate, rescind, vary, modify, assign, sublet or novate any contract or agreement, option agreement, agreement for lease, building contract, or professional appointment or otherwise for or which relates in any way to the **Property** or any part of it or any fixtures or fittings thereon and to appoint, hire and employ and to remunerate such contractors, advisers, professionals, agents, servants, attendants, managers, officers, workmen and others upon such terms and at such salaries fees or remuneration and generally in such manner as he shall think fit and to discharge such persons;
- h Without the need to observe the restrictions imposed by *Section 103 of the Law of Property Act 1925* or any need to observe all or any of the restrictions or other provisions of Section 99 of such Act to sell or transfer or concur in selling or transferring, lease or concur in leasing, accept or concur in accepting surrenders of leases, terminate or concur in terminating leases, surrender or concur in surrendering leases, grant or concur in granting licences, terminate or concur in terminating licences in each case, of the **Property** in respect of which the Receiver is appointed in such manner and generally on such terms and conditions as he thinks fit, and to carry any such sale, transfer, leasing, termination, surrender or licensing into effect by conveying, assigning, leasing, accepting, surrenders, terminating, surrendering or licensing;
- i Power to sever fixtures and fittings from the **Property** and sell the same separately from the premises to which they are affixed or in which they are contained;
- j Power to carry any sale, lease or other disposal of any land or buildings and other **Property** and assets into effect by conveying, transferring, assigning or leasing in **Your** name and for that purpose to enter into covenants and other contractual obligations in the name of and so as to bind **You**;
- k Power to acquire any interest in any real or personal **Property** which he may consider necessary or desirable to acquire in order to maintain or enhance the value of the **Property** and any part of it and to grant or surrender easements, covenants and licences and to make exchanges and to enter



into any agreements for the revision of boundaries;

- l Power to make any arrangement of compromise or claims as he shall think fit;
- m Power to effect and renew any insurances which he shall deem expedient;
- n Power to take or defend proceedings whether in **Your** name or otherwise as the Receiver may think fit including proceedings for **Your** compulsory winding up and proceedings for directions under *Section 35(1) of the Insolvency Act 1986*;
- o Power to employ, engage and appoint such managers, contractors and other personal and professional advisers and consultants on such terms as he shall think fit including without limitation power to engage his own firm in the conduct of the receivership;
- p Power to make such elections for value-added tax purposes as the Receiver shall in his absolute discretion think fit;
- q Power to raise or borrow money from **Us** or any other person to rank for payment in priority to the security constituted by or pursuant to the **Mortgage** and with or without a **Mortgage** or charge on the **Property** or any part of it and generally on such terms and conditions as he may think fit and no person advancing any such moneys shall be concerned to enquire as to the propriety or purpose of the exercise of this power or to see to the application of any moneys so raised or borrowed;
- r Power to apply and obtain planning permissions in respect of the **Property** including without limiting the generality of the foregoing entering into any agreements in connection with the same;
- s Power to divide or convert the **Property** into as many flats and/or maisonettes as he shall think fit and then to sell such flats and/or maisonettes individually or in any combination using any method for such sales as he shall think appropriate and without limiting them he shall have power:
  - i to grant leases and/or tenancies of the **Property** and to grant renewals or accept surrenders of any leases or tenancies at or for such **Rents**, premiums and considerations and upon such terms and conditions including provisions for the review of rent and the granting of long leases at a premium with or without a ground rent reserved as he shall in his absolute discretion think fit; and
  - ii to form a management company or companies for the management of the **Property** and to grant shares in such company or companies and to transfer the freehold of the **Property** to such company or companies on any terms which he considers

appropriate; and

t Power to do all such other things as may seem to the Receiver to be incidental or conducive to any other power vested in him or to be conducive to the realisation of the security constituted by or pursuant to the **Mortgage**.

15.7 Every Receiver so appointed shall be deemed at all times and for all purposes to be **Your** agent and **You** shall be solely responsible for his acts and defaults and for the payment of his remuneration.

15.8 Every Receiver so appointed shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and **Us** (or failing such agreement to be fixed by **Us**) appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted in accordance with his current practice or the current practice of his firm and without being limited to the maximum rate specified in *Section 109(6) of the Law of Property Act 1925*.

## 16 Application of Moneys

16.1 All money arising from the exercise of the powers of enforcement of the security constituted by or pursuant to the **Mortgage** shall be applied, after the discharge all sums, obligations and liabilities having priority to them, in the following manner and order:

a In or towards payment of costs, charges and expenses of and incidental to the appointment of any Receiver under the **Mortgage** and his remuneration;

b In or towards payment of all such costs, charges, losses, expenses and other sums as are mentioned in Condition 19;

c In or towards payment or discharge of the **Loan**; and

d In payment of any surplus to **You** or any other person entitled thereto.

16.2 All moneys from time to time received by **Us** from **You**, any **Guarantor** or any person or persons or corporate entity liable to pay the same or from any Receiver or otherwise on the realisation or enforcement of the security constituted by the **Mortgage** may be applied by **Us** either as a whole or in such proportion as We think fit to any account or item of account or any transactions to which the same may be applicable.

## 17 Our Powers

17.1 Without prejudice to any other of **Our** rights, powers or remedies howsoever arising all or any part of the powers, authorities or discretions conferred expressly or impliedly upon a Receiver of the whole or any part of the **Property** (whether arising under the **Mortgage** or otherwise) may be exercised by **Us** in respect of the whole or any part of the **Property** at any time after the occurrences of an event specified in

## Condition 11.

- 17.2 If We or any Receiver enter into possession of the whole or any part of the **Property**, We or the Receiver may from time to time go out of possession.
- 17.3 Neither We nor any Receiver appointed under the **Mortgage** shall be liable as mortgagee or mortgagee in possession to account to **You** for anything except actual receipts by **Us** or the Receiver, or be liable for any loss or damage arising from any realisation of the **Property**, or for any act or default or omission by **Us** or the Receiver in relation to the **Property**, or any exercise or non-exercise by **Us** or the Receiver of any power, authority or discretion conferred on **Us** or the receiver in relation to the **Property** unless such loss or damage shall be caused by **Our** own fraud or negligence or the fraud or negligence of the Receiver.

## 18 Power of Attorney

18.1 **You** hereby irrevocably appoint the following:

- a **Us**;
- b Each and every person to whom We shall from time to time have delegated the exercise of the power of attorney conferred by this provision; and
- c Any Receiver appointed under the **Mortgage** and for the time being holding office,

jointly and also severally to be **Your** attorney or attorneys and in **Your** name and otherwise on **Your** behalf and as **Your** act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which may be required (or which We or any Receiver appointed under the **Mortgage** shall consider expedient or desirable) for carrying out any obligation imposed on **You** by or pursuant to this **Mortgage** and generally for enabling **Us** or the Receiver to exercise the respective powers conferred on **Us** or the Receiver by or pursuant to the **Mortgage** or by law and We and the Receiver shall have full power to delegate the power conferred on them by this provision but no such delegation shall preclude the subsequent exercise of such power by **Us** or the Receiver or preclude **Us** or the Receiver from making a subsequent delegation to some other person any such delegation may be revoked by **Us** or the Receiver at any time.

- 18.2 **You** shall ratify and confirm all transactions entered into by **Us** or such Receiver or Delegate of ours in the exercise or purported exercise of **Our** or such Receiver's respective powers and all transactions entered into documents executed and things done by **Us** or such Receiver or delegate by virtue of the power of attorney given by Condition 18.1 and shall at **Our** request from time to time or the request of any such person or Receiver as is referred to in Condition 15.1 enter into and duly execute such further power or powers of attorney (with the necessary amendments) in the form of this Condition 18 as may be requested.
- 18.3 The power of attorney granted by this provision as regards **Us**, **Our** delegates and any such Receiver (as **You** hereby acknowledge) is granted irrevocably and for value

as part of the security constituted by the **Mortgage** to secure proprietary interests of and the performance of obligations owed to the respective donees within the meaning of the Powers of Attorney Act 1971.

## 19 Costs and Expenses

19.1 **You** must pay to **Us** all reasonable costs and expenses that:

- a We can demonstrate have arisen reasonably;
- b We, any person We appoint under Condition 15, **Our** conveyancers surveyors or agents have paid or agreed to pay; and
- c Have arisen in connection with the **Property** or the **Mortgage**.

19.2 These costs and expenses will also include the costs We have charged **You** for the administrative work of **Our** staff dealing with, among other things:

- a Arrears on account;
- b **Your** requests for **Our** approval either under these **Conditions** or otherwise (whether or not We give **You Our** approval);
- c Storing title deeds and documents;
- d Giving **You** copies of any deeds or documents or policies We keep for **You**; and
- e Approving and executing deeds for any purpose including releasing any security.

19.3 We may make changes to **Our** costs and expenses by reference to a tariff. This tariff changes from time to time and We will send **You** the most recent copy free upon request.

19.4 We can amend or introduce a charge for one or more of the following reasons:

- a To reflect in a proportionate manner any changes or reasonably anticipated changes in the law, regulations or codes of practice or to respond to a decision by a court, ombudsman or regulator;
- b To reflect in a proportionate manner change which We may make in any activity We carry out or the services We provide or to provide new services;
- c To reflect, in a proportionate manner, the costs which We reasonably incur in providing relevant services and carrying out relevant activities.

19.5 Before We change or introduce a charge for such a reason We will let **You** know under

## Condition 22.

- 19.6 **You** must pay all costs and expenses We refer to in this Condition 19 when We demand. Until **You** repay them We will add them to the **Loan** plus any interest that accrues at the **Interest Rate**, from the date when the costs and expenses arose until **You** repay them. Until **You** repay them they will be secured on the **Property**. Although We will add the costs and expenses to the **Loan** where they will accrue interest from the date they are added, **You** will not incur extra interest if **You** pay **Us** the costs as soon as they arise.

## 20 Removal of Goods

- 20.1 This provision shall have effect only if **You** are not a corporate entity and shall apply to all moveable plant, machinery and other equipment, tools, furniture, vehicles, stock in trade, implements and other goods ("Goods") now or from time to time placed on or used in or about the **Property**.
- 20.2 At any time after having taken possession of the **Property** or any part thereof We or any Receiver appointed by **Us** is hereby authorised as **Your** agent to dispose of, remove, store, sell at such price as We shall deem reasonable or otherwise deal with the Goods and may pending such disposal, removal, storage, sale or other dealing use the Goods for a reasonable period of time and (without prejudice to the obligation to account for the proceeds of any sale of Goods to **You**) **You** will reimburse **Us** or any Receiver against any liability arising from such disposal, removal, storage, sale or other dealing.
- 20.3 Nothing contained in this provision shall give **Us** any right in respect of the Goods or the proceeds from the sale of the Goods which would constitute the **Mortgage** as a bill of sale.

## 21 Protection of Purchasers

No purchasers, mortgagees or other person or company dealing with a Receiver or **Us** shall be concerned to enquire whether any power exercised or purported to be exercised by the Receiver or **Us** has become exercisable or whether any money is due on the security of the **Mortgage** or as to the propriety or regularity of any sale by or other dealing with the Receiver or **Us**, but any such sale by or dealing shall be deemed to be within the powers conferred by the **Mortgage** and to be valid and effectual accordingly and all of the protection to purchasers contained in Sections 104 and 107 of the Law of **Property** Act 1925 shall apply to any person purchasing from or dealing with the Receiver or **Us**.

## 22 Notices

- 22.1 Notice provisions set out in any separate agreement between **You** and **Us** shall apply in place of this Condition 22, but in all other circumstances, this Condition 22 applies to all notices, requests, demands or other communications.
- 22.2 Every notice, request, demand or other communication to or upon **You** shall be given or sent by letter or email and shall be deemed to have been given or made (and

received) twenty-four hours after being posted first-class postage prepaid (unless delivered by hand at the address of the addressee in which case it shall be deemed to have been given or made (and received) at the time of delivery), or in the case of email, 9am the following day.

22.3 Every notice, request, demand or other communication to **Us** shall be given or sent either by:

a An email, marked for the attention of the BTL Retail Credit Team and sent to and received at this email address:

[mortgageadmin.sbiuk@statebank.com](mailto:mortgageadmin.sbiuk@statebank.com)

provided that **You** send a copy of your email to **Us** in accordance with Condition 22.3(b) within 48 hours, and service shall be deemed to be at 9am on the next day that We are open for business; or

b letter to **Us** (marked for the attention of State Bank of India (UK) Limited, PO Box 1018, Ipswich, Suffolk, IP1 9WU or at such other address as We may designate from time to time by notice to **You** and service shall take place upon actual receipt of such letter or letters.

22.4 This Condition 22 (Notices) does not apply to any notice given in legal proceedings, arbitration or other dispute resolution proceedings.

## 23 Certificate Conclusive and Miscalculations and/or Mistakes

23.1 A statement of the total amount of the **Loan** or as to any applicable rate of **Interest Rate** prepared and signed by one of **Our** authorised officers will be taken as a correct statement unless there is an obvious mistake.

23.2 Any statement or information concerning the **Loan** that We supply to **You** before or after the discharge of the **Mortgage** will not prejudice **Our** security if it contains errors or omissions.

23.3 Any discharge We execute in respect of the **Mortgage** will not discharge **You** from liability if We subsequently find that on repayment, We under-calculated or understated by mistake the amount of the **Loan**.

23.4 Unless **You** were party to or knew or should have known of the mistake, We will not rely on Condition 23.3 unless We tell **You** in writing within 90 days of the date We execute the discharge.

23.5 We will not seek to recover money from **You** where **You** are legally entitled to keep it.

## 24 No Waivers, Remedies Cumulative

No failure to exercise, nor any delay in exercising on **Our** part any right or remedy under the **Mortgage** or any other document will operate as a waiver of such right

or remedy nor will any single or partial exercise of any right or remedy preclude any other or further exercise of any other right or remedy. The rights and remedies provided in the **Mortgage** are cumulative and not exclusive of any rights or remedies provided by law. In the event that any matter falls within the scope of more than one of the provisions of the **Mortgage** nothing shall prevent **Us** from enforcing against **You** the more (or most) stringent provision.

## 25 Set off, Suspense Account and Severability

- 25.1 **You** authorise **Us** to apply the credit balance to which **You** are entitled on any account with **Us** or any other moneys due and payable by **Us** to **You** in satisfaction of any sum due and payable from **You** to **Us** under the **Mortgage** or forming part of the **Loan**.
- 25.2 All moneys received, recovered or realised by **Us** under the **Mortgage** may in **Our** discretion be credited to any suspense account and may be held in such account for so long as **We** may think fit pending their application in or towards discharging the **Loan**.
- 25.3 No other provision of the **Mortgage** nor the security constituted by the **Mortgage** shall be discharged or affected by the total or partial invalidity, illegality of or defect in any of **Our** rights.

## 26 Further Assurance and Security

- 26.1 **You** shall from time to time execute and do all such assurances, acts and things as **We** may require for protecting the security over the **Property** or for facilitating the realisation of the whole or any part of the **Property** and the exercise of all powers, authorities and discretion vested in **Us** or a Receiver and shall in particular execute all transfers, conveyances, assignments, assurances or any other deeds, agreements or documents in respect of the whole or any part of the **Property** whether to a third party or to **Us** or **Our** nominees or otherwise and give all notices, orders and directions **We** or a Receiver may think expedient and for the purpose of this provision a certificate in writing by **Us** or a Receiver to the effect that any particular transfer, conveyance, assignment, assurance or any other deed, agreement or document required is reasonably required shall be conclusive evidence of such fact.
- 26.2 **You** shall at all times during the subsistence of the security constituted by the **Mortgage**:
- a Give notice of **Your** desire to have an extended lease or replacement lease of the **Property**;
  - b Send a copy of such notice to **Us**; and
  - c Within one month of execution of any extended or replacement lease of the **Property** **You** (irrespective of whether any of the above conditions have been complied with) will deposit that lease with **Us**. In addition, if **We** require, **You** will at **Your** expense execute a new charge by way of legal **Mortgage** to **Us** of all **Your** estate in the **Property** under and by virtue of

that lease.

26.3 If **You** acquire any superior interest in the **Property** or acquire an interest in any freehold or leasehold **Property** adjoining or near to the **Property** **You** will promptly inform **Us** in writing and if **We** require **You** will at **Your** expense execute a new legal charge by way of legal **Mortgage** in **Our** favour of that superior interest or freehold or leasehold **Property**. Every new legal charge shall contain similar provisions to those contained in the **Mortgage**.

## 27 Governing Law

The **Mortgage** shall be governed by the laws of England and Wales and **You** hereby agree to submit to the exclusive jurisdiction of the Courts of England and Wales.

## 28 Assignments and Disclosure

28.1 We may at any time assign and/or transfer to any person all or any part of **Our** rights under or in respect of:

- a **Mortgage** and/or the **Loan**; and
- b Any other security in **Our** favour.

28.2 The **Loan** at the date of the assignment or transfer shall be all moneys then owing and shall bear interest from the date of the assignment or transfer at a rate per annum equal to the rate payable under the **Mortgage** immediately before such arrangement or transfer until the **Interest Rate** is changed.

28.3 Any assignee and/or transferee shall in all respects be substituted for **Us** and shall be entitled to exercise all of **Our** rights and powers in any security assigned or transferred including, without limitation, the power to vary the **Interest Rate** or apply costs and expenses with reference to its own circumstances (including without limitation its own costs).

28.4 **You** and if appropriate any **Guarantor** hereby authorise **Us** to disclose to any person (and their advisers) to whom **We** dispose or contemplate disposing of any part of **Our** interest in the **Mortgage** or in the or any security including the **Guarantee** or other obligations secured by the **Mortgage** such information concerning **You** or the **Mortgage** or the **Loan** or the **Guarantor** and such other obligations as **We** reasonably think fit.

## 29 Valuations and Revaluations

29.1 Any **Valuation** proposed in connection with the **Mortgage** is:

- a For **Our** benefit and may not be relied upon by **You**;
- b Does not confirm or guarantee the **Property** is worth the value given to it.



- 29.2 We reserve the right to obtain further valuations of the **Property** at any time for the purpose of calculating the percentage the **Loan** bears to the value of the **Property** at that time ("**LTV**"). Each further **Valuation** will be at **Your** expense (such cost to be charged in accordance with **Our** then current fees for valuations unless **You** have paid for a **Valuation** in the preceding two years, in which case it will be at **Our** expense unless there is a breach of these **Conditions**). **You** will ensure that any access to the **Property** reasonably required by the valuer is given.
- 29.3 In the event that at the end of the term of the **Mortgage** **You** request to extend the term of the **Mortgage**, **You** will pay the cost of any **Valuation** We require before We decide whether to agree to an extension of the **Mortgage's** term.

## 30 Your Personal Data

We may use any information **You** provide to **Us**, or that We obtain or generate relating to **You** in connection with **Our** dealings with **You** in accordance with any application and associated documentation signed by or on **Your** behalf relating to a **Mortgage**, any **Mortgage Advance** and/or as permitted under applicable law. In addition, without restricting the terms of any agreement entered into between **Us**, **You** irrevocably agree that We may provide any information or documentation about **You**, the **Mortgage**, the secured liabilities, the **Property** and any other security held by **Us** and the conduct of the **Mortgage** account:

- a To any such person or organisation who does, or proposes to, enter into any **Mortgage** transfer with **Us** or who does, or proposes to, fund or otherwise be involved in any **Mortgage** transfer;
- b To any purchaser or potential purchaser of **Us** or any person who does, or proposes to, fund or otherwise be involved in any such purchase; and
- c To any person who was previously the creditor under the **Mortgage** documents, including, in each case, any actual or potential party, that party's professional advisers and any rating agency.

**Your Buy-To-Let Property may be repossessed and/or a receiver of rent appointed if you do not keep up payments on your mortgage.**

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