

Reliance Bank Limited Mortgage Terms and Conditions

(2019 edition, England and Wales)

INTRODUCTION

The following Conditions govern your Mortgage with Reliance Bank Limited. They should be read in conjunction with your Offer. If you have any queries about them, please ask us or your solicitor or conveyancer.

It is important that you read the Conditions carefully. The following is a very brief summary of what the Conditions cover. It is not a substitute for reading the Conditions in full.

- Condition 1 sets out the meanings of certain words and phrases and other things to bear in mind when you read the Conditions.
- Condition 2 sets out your payment obligations, including the need to make monthly payments and to pay off the Mortgage by the end of the Mortgage Term.
- Conditions 3, 4 and 5 explain how we calculate interest and when and how we can change the rate of interest applying to your loan.
- Condition 6 sets out how we can change the Monthly Payment.
- Condition 7 deals with rights in respect of the Property and the powers of attorney which you give us as part of our security.
- Condition 8 explains what the Mortgage covers and how you can repay it. You should note that early repayment charges may apply – please check your Offer or ask us.
- Condition 9 sets out the circumstances in which we can require you to repay the Mortgage immediately: for example, if you do not do the things you have agreed to do.
- Condition 10 sets out our rights and remedies if you do not comply with your obligations: for example, we can repossess the Property and sell it, or appoint a



receiver.

- Condition 11 says that you must not let the Property, part with possession of it or take out any other mortgage over it, unless we say that you can.
- Condition 12 deals with repairing and other obligations in respect of the Property and the Offer.
- Condition 13 deals with our insurance requirements.
- Condition 14 has details of the Fees and Expenses you may have to pay.
- Condition 15 says that if there is more than one of you, each of you is liable for all the obligations under the Mortgage, not just a part or proportion of them.
- Condition 16 requires you to let us hold any management company or residents' society certificates.
- Condition 17 applies if you have a shared ownership lease.
- Conditions 19 to 24 deal with certain other matters, including how we give you notices, the law and language that apply, our right to transfer the Mortgage and when and how we can change the Conditions.

You should keep these Conditions in a safe place in case you want to refer to them in the future.



RELIANCE BANK LIMITED

MORTGAGE CONDITIONS 2019 (ENGLAND AND WALES) – THE “CONDITIONS”

1 Interpretation

1.1 In these Conditions, the following words and phrases have the meanings set out below when they appear with a capitalised first letter. When you come across a word with a capitalised first letter when reading these Conditions this will remind you to look here for the meaning of them. If there are other terms that you do not understand, your solicitor or conveyancer should always be pleased to help you:

- (a) “Additional Secured Borrowing” means any further money we lend to you that is intended to be secured by the Mortgage;
- (b) “Advance” means the original amount we have agreed to lend to you and which is secured by the Mortgage;
- (c) the “Borrower”, “you” and “your” means the person or persons named as Borrower in the Mortgage and includes your legal representatives should you die, become insolvent or unable to manage your affairs. If there is more than one of you, references to the Borrower or to you means all of you together and each of you separately;
- (d) “Expenses” means all costs and expenses (legal or otherwise) which we reasonably and properly incur in connection with the following:
 - (i) the costs of any legal proceedings relating to the Mortgage or the valuation of the Property (whether brought by or against you or any other person);
 - (ii) the costs and expenses we incur in:
 - (A) the exercise of any of our powers under the general law or these Conditions;
 - (B) the recovery of any money secured by the Mortgage; and/or
 - (C) the protection or preservation of our security;
- (e) “Fee” or “Fees” means the fees we charge under Condition 14;
- (f) “Guarantor” is any person who has agreed to guarantee your responsibilities under



the Mortgage, should you fail to carry them out;

- (g) "Home Mortgage Variable Rate" means our standard variable rate of interest. We set our Home Mortgage Variable Rate by taking into account a number of factors including the Reliance Bank Limited Base Rate and the Bank of England's official bank rate. The Home Mortgage Variable Rate can be increased or decreased at any time, which would affect the Interest rate on your Mortgage and either increase or decrease your Monthly Payments. It will not necessarily rise or fall in line with movements in the Reliance Bank Limited Base Rate and Bank of England's official bank rate;
- (h) "Interest Rate" means, in relation to any amount, the rate of interest we charge from time to time under Conditions 3, 4 and 5;
- (i) "Loan" means each amount advanced to you as set out in an Offer;
- (j) "Month" means a calendar month;
- (k) "Monthly Payment" means the monthly payment set out in the Offer as varied from time to time under these Conditions;
- (l) "Mortgage" means any and each mortgage deed that says these Conditions are incorporated in it;
- (m) "Mortgage Term" is the period of time during which you agree to repay the Loan to us and is shown on your Offer. This may only be varied by agreement with us. The Total Debt must be paid by you before or at the end of the Mortgage Term. If you have selected a term that extends beyond your anticipated date of retirement, or if you are already retired, then you must ensure that you have adequate means to repay your Mortgage during retirement;
- (n) "Offer" means any document offering you a Loan or any Additional Secured Borrowing including any conditions contained or referred to in it and any amendments made to it before the Loan or the Additional Secured Borrowing (as the case may be) is advanced. If we have issued more than one Offer in respect of a Loan or Additional Secured Borrowing, "Offer" means the most recent one that we have issued and you have accepted;
- (o) "Payment Day" means the day of the month on which the Monthly Payment is to be paid, which we shall agree with you following completion of the Loan;
- (p) "Property" means the property charged to us by you under the Mortgage and references to the Property include (unless it would be inappropriate in the context)



any part or parts of it;

- (q) "Related Rights" means:
- (i) any money that might become payable, under any agreement or law, in respect of the Property or any damage or injury to it or depreciation of it; and
 - (ii) the benefit of any other right, option, guarantee, share or indemnity affecting or concerning the Property;
- (r) "Reliance Bank Limited Base Rate" means the rate we typically use which is normally equivalent to the Bank of England's official bank rate;
- (s) "Repayment Period" means the period specified in the Offer as the term for the Loan, as varied from time to time under these Conditions;
- (t) "Rules" means our rules in force from time to time including any adopted after the date of the Mortgage;
- (u) "Tariff" means our mortgage tariff of fees and charges. You can obtain a copy of this at any time by contacting us at any time and we may from time to time make this available on our website;
- (v) "Total Debt" means all money outstanding for the time being secured by the Mortgage; and
- (w) "us", "we" or "our" means Reliance Bank Limited and includes anyone to whom we may transfer, assign or charge or otherwise dispose of any rights under the Mortgage and anyone who takes over our business.

1.2 Any references to a person include reference to a company, masculine expressions include the equivalent feminine expressions, and references to single things include the plural, and (in each case) the other way around.

1.3 Any references to an Act of Parliament include any changes to it or re-enactments or replacements of it.

1.4 If any provision of these Conditions is found to be invalid, illegal or unenforceable, the remaining Conditions are to be read and interpreted as if that provision had not been included. For the purposes of this Condition, "provision" means a separate condition of a numbered Condition, whether separately lettered or numbered or not.

1.5 The headings in these Conditions are for convenience only. They have no legal effect on



these Conditions.

- 1.6 If there is any inconsistency between the Mortgage, the Conditions and the Offer, then the following order of priority will apply: the Offer, the Conditions and then the Mortgage.

2 Payments

You agree:

- (a) to pay the Monthly Payments on the Payment Day in each Month until the whole of the Loan and any Additional Secured Borrowing and any other amounts due to us under these Conditions have been paid in full;
- (b) to repay the Total Debt by the end of the Repayment Period;
- (c) if we sell the Property and the net proceeds of sale are not sufficient to pay all the sums due to us under the Mortgage and these Conditions, to pay the shortfall to us immediately; and
- (d) to pay interest at the Interest Rate on any sums due to us from the date such sums become due until the date when you have paid us. This applies both before and after any judgment we may obtain for the payment of money.

We will use any payments you make to us, or we otherwise recover under the Mortgage, in the following way. First, we will use them towards payment of any arrears of Monthly Payments. Any balance will be used towards the payment of any interest you owe on the Loan, including interest charged on any unpaid Fees and Expenses which form part of the Total Debt. Any remaining balance after that will be used to reduce the principal amount of the Loan including any unpaid Fees and Expenses which form part of the Total Debt.

3 Interest

- 3.1 For the purposes of calculating interest under the Mortgage we may round up percentages to two decimal places.
- 3.2 Where only part of the Loan or any Additional Secured Borrowing is advanced, we will not charge interest on the remainder until it is advanced.
- 3.3 Interest will be charged on the daily balance outstanding of the Total Debt and will be debited to your account on the last day of each Month and on the date of redemption. Furthermore, any unpaid interest debited to your account will itself attract interest which will be debited to your account in accordance with this Condition.



3.4 Interest will accrue from day to day from the date we release the funds for a Loan or Additional Secured Borrowing to you or your legal representative. Interest is to be paid as part of the Monthly Payments.

3.5 No part of any payment made by you will be treated as a repayment of the principal amount of a Loan until all interest due has been paid.

4 Rate of Interest

4.1 The Interest Rate that applies to the Loan is set out in the Offer and will apply until that rate is varied in accordance with the terms of Condition 5.

4.2 The Interest Rate that applies to any Additional Secured Borrowing will be set out in the Offer relating to that Additional Secured Borrowing and will apply until varied in accordance with the terms of Condition 5.

5 Interest Variation

5.1 Where we have agreed in the Offer a fixed rate of interest for any period in respect of any Advance we will not vary the Interest Rate for that period without your agreement.

5.2 Where we have agreed in the Offer a rate of interest which is linked to or tracks an independently set rate (including but not limited to the Bank of England's official bank rate) or the Reliance Bank Limited Base Rate, the Interest Rate will vary in line with changes to that underlying base rate.

5.3 Unless the Offer states that a fixed rate of interest applies for any period in respect of any Advance, we may change the rate of interest payable on the Loan or on any Additional Secured Borrowing for any of the reasons set out below at Condition 5.4. But, if we use the power to change the rate of interest, we will always:

- (a) respond proportionately to the reason for making the change; and
- (b) not discriminate against you individually or as a particular type of borrower, unless the reason in question relates specifically to a particular type of borrower (in which case we will give you an explanation about that).

5.4 We may change the rate of interest for any one or more of the following reasons (which may relate to circumstances existing at the time or which we reasonably expect to apply in the near future):

- (a) To respond to:



- (i) changes, or changes in interpretation, in the relevant laws or to codes of practice or industry guidance with which we intend to comply; and/or
 - (ii) decisions or recommendations of the Financial Ombudsman Service or of any court.
- (b) To respond to changes in the Reliance Bank Limited Base Rate (or, if that rate ceases to exist, the equivalent lending rate set by the Bank of England or by any central bank that replaces it) which we reasonably believe reflects general economic circumstances.
- (c) To respond to legitimate cost increases or reductions, reasonably incurred by us in operating our mortgage business.
- (d) To respond to a change in the sums payable to the Financial Services Compensation Scheme associated with mortgage lending.
- (e) To reflect, proportionately, any increase or reduction in our risk if there has been a change in the way the Property is used or occupied.
- (f) Where, in our reasonable opinion, the change is required because of the need to maintain our financial strength in the interests of our stakeholders and customers as a whole, including both borrowers and savers. For example we may change the rate to respond to the need to manage the margin between the interest rates borrowers pay us and the interest rates we pay to savers.
- 5.5 We may change the Interest Rate which applies to the Loan and/or to any Additional Secured Borrowing Rate by giving you notice in writing of the change. This notice will state the date from which the new rate will take effect. If the change is an increase, this will be a reasonable time after the date on which notice is given.
- 5.6 We may reduce the Interest Rate we charge you on the Loan or on any Additional Secured Borrowing without prior notice or any other formality from such date as we may decide. We will notify you promptly if we do this.
- 5.7 A certificate signed by our managing director for the time being will (apart from in the case of an obvious error) be evidence in any legal proceedings of any Interest Rate at any date to which the certificate refers.

6 Monthly Payment Variation

We may vary the amount of the Monthly Payments to reflect any variation of the Interest Rate or a change in the Repayment Period. We will give you notice in writing of the amount of the



new Monthly Payment and the date from which it is to be payable.

7 Related Rights and Powers of Attorney

7.1 So far as you are able you:

- (a) assign (transfer) all Related Rights to us;
- (b) agree that you will hold all Related Rights in trust for us (that is, on our behalf); and
- (c) irrevocably appoint us to be your attorney to act on your behalf to deal with and recover all Related Rights and also give any notice or counter-notice and exercise any rights to or against any local or other authority or body.

7.2 Any payment arising in respect of Related Rights (unless paid out to our satisfaction in restoring or improving the Property) will be used by us towards repayment of the Total Debt.

7.3 Our rights under Condition 7.1 will cease on redemption of the Mortgage.

7.4 You also give us a power of attorney to sign any documents and take any action that you have agreed but failed to sign or take under these Conditions, and to transfer any shares as mentioned in Condition 16 if we sell the Property.

8 Consolidation and Redemption

8.1 The Mortgage will be security not only for the Loan and any Additional Secured Borrowing but also for all other money that may be or become owing by you to us under these Conditions. No property held by us as security for your indebtedness will be released until all money owing by you to us has been paid.

8.2 Subject to Condition 8.1 and to you paying any early repayment charge that may be specified in the Offer, you can redeem the Mortgage or make payments in advance.

8.3 If we release the Mortgage this will not release you from any personal liability in the event that we have made a mistake in calculating the amount required to repay the Total Debt, providing we tell you about the mistake within six weeks. This will not apply if you have changed your financial position to your disadvantage as a result of the mistake, at a time when you were not aware of it.

8.4 Section 93(1) of the Law of Property Act 1925 (which might otherwise prevent us from relying on Condition 8.1) will not apply to the Mortgage.



9 Total Debt becoming immediately payable

If any of the following events occurs, we may demand immediate payment of the Total Debt, in which case you must pay it to us:

- (a) you do not pay us when due, and still owe us, an amount equal to two Monthly Payments or more and this continues for three months or more; or
- (b) you fail to perform or observe any of your other obligations in these Conditions (other than insignificant breaches that are put right promptly after we ask you to do so); or
- (c) the Property, or any part of it, is compulsorily purchased or acquired or requisitioned; or
- (d) the charge over the Property is not registered before the expiry of any priority period for registration or is not registered as a first charge;
- (e) you give up possession of the Property to us; or
- (f) if:
 - (i) you or the Guarantor (if there is one) enter into a voluntary arrangement with or for the benefit of your respective creditors or makes a proposal to do so;
 - (ii) an application is made for an interim order against you or the Guarantor (if there is one);
 - (iii) you or the Guarantor (if there is one) enter into a deed of arrangement with or for the benefit of your respective creditors; or
 - (iv) a bankruptcy petition is presented against you or the Guarantor (if there is one) or we reasonably consider that one is likely to be presented; or
- (g) we find out that you or the Guarantor (if there is one) have deliberately given us incorrect information when you applied for a Loan.

10 Our rights and remedies

10.1 For the purposes of the Law of Property Act 1925 the Total Debt is due on the date of completion of the Mortgage. This means that our powers as mortgagee come into force then, but we can exercise them in accordance with this Condition 10.

10.2 At any time after the Total Debt has become immediately payable under Condition 9, if we



have demanded payment and it remains unpaid, we may after giving written notice to you:

- (a) take possession of the Property or require you to leave it;
 - (b) require any tenants or workmen or others who may be in the possession of the Property to leave it unless they are there with our consent;
 - (c) exercise our power of sale;
 - (d) let and manage the Property (but this will be at your risk);
 - (e) carry out all the powers, which are given to us and the Receiver by the Law of Property Act 1925 (except that the restrictions which are imposed by Section 103 of that Act will not apply) or the Insolvency Act 1986;
 - (f) accept surrenders of leases and grant or renew leases or tenancies as we think fit;
 - (g) arrange and carry out all repairs, works, alterations, demolition, change of use, additions, road schemes and developments to the Property and generally to manage the Property as we think fit;
 - (h) employ and also pay persons for carrying out any of these powers at a price or fee and upon any terms as we think fit;
 - (i) exercise our power to appoint a receiver (who may be an officer or employee of us) at such commission or payment as we reasonably consider fit; and
 - (j) at any time after taking possession of the Property or appointing a receiver we may give up possession or remove the receiver on giving notice to you.
- 10.3 At the time of or after taking possession of the Property we may, as your agent and at your expense, remove, store, sell or otherwise deal with any furniture or goods, which you fail or refuse to remove from the Property. We shall not be liable for any loss or damage caused as a result unless we have acted negligently.
- 10.4 Our statutory power of sale applies to the Mortgage free from the restrictions imposed by Section 103 of the Law of Property Act 1925. This Condition 10 applies instead.
- 10.5 The statutory power of sale is extended so as to allow us to sell the Property or any part of it for a price payable with or without interest by instalments over such period as we shall, acting reasonably, think fit.
- 10.6 No purchaser or other person dealing with us or any receiver need enquire whether the Total



Debt has become immediately due and payable or whether any power has become exercisable, or to check on the use made of any money paid to us or to any receiver.

10.7 A receiver:-

- (a) will be entitled to be paid reasonable fees or commission, and will be appointed by us on such other terms as are reasonable in the circumstances we decide;
- (b) will be your agent (and you will be responsible for the receiver's acts and omissions), except if the receiver is our employee;
- (c) will be entitled, in addition to the receiver's statutory powers, to collect and receive any rents from the Property, and to exercise any power (including selling the Property) which we would be able to exercise under the Mortgage; and
- (d) will be entitled to employ any agents or workmen to do things on his behalf.

10.8 If we sell the Property and the amount we obtain for it (after deducting all our Expenses) is insufficient to repay the Total Debt, you agree, independently of any other Conditions, to pay us the shortfall with Interest calculated in the manner set out in Conditions 3, 4 and 5.

11 Your agreement not to lease etc

You must not, without our previous written consent, let, mortgage, charge or part with possession of the Property, or any part of it. We will not unreasonably refuse consent, but we may require payment of a Fee or additional interest to be paid as a condition of our consent.

12 Other obligations concerning the Offer and the Property

12.1 Until the Mortgage has come to an end you must do the following:-

- (a) comply with all the terms and conditions of the Offer;
- (b) look after the Property and keep it in good condition;
- (c) complete (without delay) any building work on the Property;
- (d) pay all rents, rates and other charges payable in respect of the Property when due;
- (e) comply with all legal restrictions, obligations and conditions affecting the Property;
- (f) send us within seven days a copy of any notice received from a local authority or other third party (such as a landlord) in respect of the Property that might be



important to us as lender;

- (g) sign and execute all documents and do all other things that we may reasonably require to ensure that the security granted to us by the Mortgage Deed is in full force and effect; and
 - (h) tell us about any significant dispute affecting the Property or any lease of it.
- 12.2 Until the Mortgage has come to an end you must not do any of the following in relation to the Property unless we have agreed that you can:-
- (a) apply for any improvement or other grant;
 - (b) change its structure, demolish it or change its use; or
 - (c) create any circumstances (such as causing pollution or keeping any hazardous substances) which could lead to any liability on you or us under any environmental laws.
- 12.3 We will not unreasonably refuse a request from you to do something under Condition 12.2 (apart from 12.2(c)), but we may require a Fee or additional interest to be paid as a condition of giving our consent. The amount of any Fee may be set out in the Tariff. If it is not, we will set the Fee or additional interest at a reasonable amount in the light of the circumstances in question.
- 12.4 If the Property is held under a lease and you want to extend the lease or acquire the freehold of the Property, then you must tell us. Our security under the Mortgage covers any extended lease or freehold interest from the time of the extension or acquisition. You must sign any additional documentation that we may reasonably require to confirm this.

13 Insurance

- 13.1 The Property must be adequately insured at all times. The insurance must cover loss or damage by fire and such other risks as we may reasonably require. The amount of the insurance cover must not be less than the amount required in the Offer.
- 13.2 Unless we have agreed to arrange the insurance, you must arrange it yourself. If you fail to do so, or if your insurance is not approved by us under Condition 13.4, then we may (but we are not obliged to) arrange the insurance.
- 13.3 If we arrange the insurance, we will use an insurance broker or insurance company of our choice. We will not have to pay on to you any commission we earn for arranging the



insurance. You must pay (or reimburse us) for the cost of the premiums.

- 13.4 If you are to arrange the insurance, then the insurance company and the terms of the policy must be approved by us. We will not unreasonably refuse our approval, but we may charge you a Fee for reviewing the cover. The amount of the Fee is set out in our Tariff and may be changed in accordance with Condition 14.3. You must pay the premiums when due and provide us with evidence that you have paid the premiums, as and when we reasonably request it. However, we are not under any obligation to you to check that your policy is in force.
- 13.5 We are not under any obligation to you to check the adequacy of the insurance. It is your responsibility to make sure that the insurance is adequate at all times. The amount of the insurance cover must be increased as necessary so as to ensure that this is the case.
- 13.6 If there is a possible claim on the insurance then you must make a claim. We may take control of the claim and (acting reasonably) agree settlement with the insurance company. The power of attorney you give us in Condition 7.4 also covers this.
- 13.7 You have the right to choose whether any money received by you or us from any insurance in respect of the Property is used in making good the damage or loss that was the reason for the claim or in or towards repayment of the Total Debt, unless (i) the Property cannot lawfully be repaired, (ii) the money is not used promptly in making good the damage or loss, or (iii) the Total Debt has become payable under Condition 9. In those cases, the money must be applied in or towards repayment of the Total Debt unless we agree otherwise. Any money received by you from any insurance relating to the Property must be held on our behalf unless and until it is used as required by this Condition 13.7.
- 13.8 You must not do or allow anything to be done that might make the insurance invalid or the premium more expensive.
- 13.9 If the Property is leasehold and insured by the landlord you must, on request, show us such documentation relating to the policy as we may reasonably require. The insurance company and the terms of the policy must be approved by us, but we will not unreasonably refuse approval.

14 Fees and Expenses

- 14.1 We may charge Fees in relation to the operation of your account and for providing any service in connection with the Mortgage. Any Fees specific to your Loan or Additional Secured Borrowing are set out in your Mortgage Offer. Details of our other standard Fees are set out in our Tariff. We will send you a copy of our current Tariff at least once a year, but you can obtain a copy of this at any time by contacting us.



- 14.2 We will give you notice of any Fees charged. Interest will be charged on any Fees not paid.
- 14.3 We can (unless otherwise stated in the Offer) change the Fees we charge at any time. Changes may include the abolition of, or amendment to, existing Fees or the introduction of new Fees, and may be made if we reasonably believe that the change is needed for any of the following reasons (which may relate to circumstances existing at the time or those which we reasonably expect to apply in the near future):-
- (a) to respond to changes in the costs (including tax) we reasonably incur in providing the service, or carrying out the function, to which the Fee relates;
 - (b) to meet relevant regulatory requirements;
 - (c) to respond to changes, or changes in interpretation, in the relevant laws or to codes of practice or industry guidance with which we intend to comply or to the decisions or recommendations of the Financial Ombudsman Service or of any court; and
 - (d) to respond to new (or changes to) any statements or codes of practice designed to enhance consumer protection.

Any change that we make to our Fees will be proportionate to the circumstances giving rise to the change.

- 14.4 Where we introduce new Fees, or increase existing Fees, we will tell you about the change, a reasonable time before it takes effect.
- 14.5 You must pay us all Expenses when we ask you to. Until you pay them, interest will be charged on them at the Interest Rate.
- 14.6 Expenses incurred by us must be repaid by you when we demand and until repaid they will be a charge on the Property (but without prejudice to any other remedy we may have).
- 14.7 Unpaid Fees and Expenses will form part of the Total Debt.

15 Mortgages By More Than One Person

If there is more than one of you, your obligations are joint and several. This means that each of you is responsible for all the obligations of the Borrower and not just a part or proportion of them. If any of you, for whatever reason, is not bound by the Mortgage, the others will remain bound by it.



16 Management Company Shares

If you hold any share in a management company or residents' association in relation to the Property, then you will deposit the share certificate (if any) with us. If we have no Mortgage over those membership rights when we exercise our power of sale of the Property, you give us an irrevocable power of attorney to transfer your membership rights to the purchaser and to keep any payment made for the transfer.

17 Shared Ownership Leases

Where the Property is held by you on a shared ownership lease or similar arrangement you transfer to us (until the Mortgage is redeemed) the right under the provisions of the lease to acquire the freehold or a further lease or other extended interest, as the case may be.

18 Our power to enter and repair etc.

18.1 While the Mortgage continues you will permit us and our agents access to the Property to check on its condition and use, so long as we give you reasonable notice and specify a reasonable time.

18.2 You will remedy any defect in the repair or condition of the Property within such reasonable time as we may require.

18.3 If you fail to remedy any such defect within the required time, or if you are in breach of any other obligation in these Conditions as to the carrying out of any works on the Property or the doing of any other act or thing, then we or any receiver appointed by us may enter upon the Property with workmen and others and may remedy such defect or breach and recover the reasonable cost of doing so from you as set out in Condition 14.5.

18.4 No exercise of any power contained in this Condition 18 shall make us liable as mortgagee in possession.

19 What to do if you are having trouble making your Mortgage payments?

19.1 If you are having problems making your Monthly Payments we may be able to help you. Whenever you think you may have a problem it is important to contact us. We can sometimes defer a Monthly Payment. This means that your Total Debt may increase and your Mortgage Term may also increase. We may be able to make special arrangements allowing you to alter the amount and timing of your Monthly Payments or make other agreed variations to the product type or Mortgage Term.

19.2 You must remember that if any help is given to you this does not release you from any of the Conditions of your Mortgage. It is particularly important to realise that any special



arrangement that we might make does not affect our rights over the Property including the right to exercise our power of sale together with the right to collect from you the Total Debt. If you have a Guarantor any special arrangement made by ourselves will not alter the Guarantor's legal responsibility to repay your Total Debt should you fail to do so.

- 19.3 It is your responsibility to satisfy yourself as to the effect of any special arrangement on your Mortgage Term, the Total Debt and/or the amount of your Monthly Payment.

20 Notices

Any notice given by us to you in writing will be sufficiently given if it is sent by ordinary prepaid letter post addressed to your address last known to us or to the Property and the letter is not returned through the post office undelivered. A notice given in this way will be deemed to have been served at the time at which the letter would be delivered in the ordinary course of post.

21 Transfer of the Mortgage

- 21.6 We may at any time transfer some or all of our rights under the Mortgage and/or a Loan or Additional Secured Borrowing to any person. In connection with any such transfer:-

- (a) we may disclose any information relating to you and the Mortgage;
- (b) unless the terms of the transfer state otherwise, the person to whom we transfer the Mortgage will be able to exercise all the rights and powers that we could exercise before the transfer; and
- (c) your rights under the Mortgage will not be affected.

22 General

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

23 Law

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



24 Changes to these Conditions

We may change the Conditions and any other conditions applying to your Mortgage (other than regarding interest and Fees) to reflect the requirements of any regulation, to clarify any existing term or condition or make it fairer, or to enable us to enhance the terms of your Mortgage or correct any typographical errors. We will not make any change that works to your disadvantage unless we are required (for example, by a law or regulation) to do so. We will where practicable give you at least 30 days' notice of any such change.

25 Language

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

