



General Mortgage Conditions Scotland

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This booklet sets out the **General Mortgage Conditions** that apply to **your Loan**. They are the conditions on which **we** are prepared to lend any money to **you** so it is very important that **you** read them carefully and make sure that **you** fully understand them. If **you** do not understand anything in this booklet, or any of the other documents **we** provide for **your Loan**, **you** must ask **your** legal adviser to explain them to **you**.

In these **General Mortgage Conditions** **we** often use words or phrases that have special meanings. If a word or phrase is in **bold**, this means it has the meaning shown in Part 1.



Part 1: Understanding These Conditions

1 Definitions

1.1 Certain words and phrases (**in bold**) in these **General Mortgage Conditions** have the following meanings:

Account	The account we keep to record what you owe us under the Agreement , and the payments you owe us and make to us under the Agreement and any other money we receive to reduce the outstanding balance of the Amount Owed .
Additional Borrowing	An extra amount we lend you and which is secured by the Mortgage .
Additional Borrowing Offer	An offer from us to lend you an extra amount to be secured by the Mortgage .
Advance	Any amount we have agreed to lend you under the Agreement .
Agreement	The agreement between you and us for the Loan . The Agreement is made up of all the terms set out in the documents listed in condition 1.2.
All Other Debt	Any money other than the Amount Owed which you owe us under any existing agreement made with us which is secured over any other land or building (other than the Property) (for example, another standard security you have with us) or any future agreement made with us after Completion except for money you owe us under any existing or future agreement regulated by the Consumer Credit Act 1974 which does not provide that such agreement is secured by the Mortgage .
Amount Owed	The total amount that you owe us from time to time under the Agreement including the Advance and any Additional Borrowing you have not repaid and unpaid Interest, Fees and Expenses .
Bank of England Base Rate	The Bank of England's base rate of interest (or any other interest rate set by a UK-based financial institution which we reasonably specify as comparable in the event that the Bank of England Base Rate should cease to exist or be published) which may vary from time to time.
Business Day	Any day other than Saturdays, Sundays or bank holidays in England and Wales.
Buy-to-Let Loan	A Loan where the Mortgage Offer restricts the Loan to the acquisition or remortgage of a Property for letting purposes.
Capital	The money we have lent you (such as the Advance and any Additional Borrowing) under the Agreement and that you have not yet repaid.
Capital Repayment	A repayment of Capital you owe to us .
Completion	The date on which the first Advance is sent to our legal adviser under condition 3.6 by Electronic Funds Transfer .



Customer Service Number	Any phone number we give you .
Disposal	Any sale, transfer, assignation, novation, grant of security, declaration of trust or other disposition or disposal.
Early Repayment Charge	A charge we may make when all or part of the Capital is repaid before the end of the Mortgage Term . The charge is set out in the Mortgage Offer .
Electronic Funds Transfer	Transferring money electronically.
Expenses	Those expenses listed in condition 21.
Fees	Those fees listed in the Tariff of Charges . We may change the Fees from time to time under condition 4.
Fixed-Rate	The interest rate you pay during the Fixed-Rate Period for a Fixed-Rate Loan .
Fixed-Rate Loan	A Loan shown in the Mortgage Offer as a Fixed-Rate Loan .
Fixed-Rate Period	The period of time for which the Interest on a Fixed-Rate Loan is fixed at a set rate.
General Mortgage Conditions	The conditions set out in this booklet. A reference to a numbered condition is to that condition in this booklet.
Interest	The Interest we charge on the Amount Owed or any part or parts of the Amount Owed .
Interest-Only Loan	A Loan shown in the Mortgage Offer as an Interest-Only Loan . The Monthly Payments are interest-only and do not include repaying any of the Capital .
LIBOR	The London Inter-bank Offered Rate (also designated as the British Banker's Association Interest Settlement Rate) being the rate (as determined below) at which sterling deposits are offered for a three month period by prime banks in the London inter-bank market quoted at or about 11am (London time) on the LIBOR Setting Date . The rate is:
(i)	the rate quoted on the appropriate page of the Telerate Monitor Screen or any such screen or service that may replace it; or
(ii)	if no such service is available LIBOR will be another rate of interest which we reasonably decide represents a comparable rate of interest for three month sterling deposits at or about 11am (London time) on the LIBOR Setting Date ,
	in each case rounded up to two decimal places (so for example, if the rate is 7.05321%, LIBOR will be 7.06%).
LIBOR Setting Date	12th March, 12th June, 12th September and 12th December each year (or if such day is not a Business Day , the previous Business Day).



Loan	The initial Advance we make to you , and any Additional Borrowing we lend you now or in the future.
Margin	A margin above or below the Standard Variable Rate of Interest, LIBOR or the Bank of England Base Rate (as applicable) as set out in the Mortgage Offer .
Month	A calendar month.
Monthly Payment	The payment you must make to us every Month . The amount of the initial payment is set out in the Mortgage Offer and this is the amount which you must pay under condition 14.7. We may change the Monthly Payment , including the initial payment, in accordance with condition 17.
Mortgage	Our security over the Property , as described in the Mortgage Deed .
Mortgage Application	The application you make and any information you (or someone acting for you) give us so that we can complete your Loan or lend you additional money.
Mortgage Deed	The legal document (called the " Standard Security ") you sign to give us the Mortgage over the Property as security for the Amount Owed and All Other Debt .
Mortgage Illustration	An illustration provided to you before you submit a Mortgage Application to us detailing the features of the proposed Loan, Fees payable and the Monthly Payment .
Mortgage Offer	Our written offer to give you a Loan or Additional Borrowing to be secured by the Mortgage . The Mortgage Offer includes any Additional Borrowing Offer .
Mortgage Term	The period of time shown in the Mortgage Offer which we give you to pay off the Loan .
Offer Conditions	The offer conditions set out in the Mortgage Offer .
Payment Date	The day on which you must make the Monthly Payment to us . The first Payment Date will be the first Business Day of the Month following the Month in which Completion occurs unless Completion occurs less than 10 days Business Days before the end of a Month in which case the first Payment Date will be the first Business Day after the expiry of 10 days Business Days from Completion . All subsequent Payment Dates will be the first Business Day of the Month . We may change the Payment Date in accordance with condition 14.8.
Property	The Property described in the Mortgage Deed over which we will take a Mortgage as security for the Amount Owed and All Other Debt .
Property Inspection Report	A report issued by a valuer after carrying out a physical inspection of the Property , which tells us what condition the Property is in and how much it is worth (its value).



Rate of Interest	The rate or rates of interest that will apply to the Loan . The initial rate or rates of interest are stated in the Mortgage Offer although these rates may change before Completion under condition 3.3. The rate or rates of interest may change after Completion in accordance with condition 19.
Reversionary Rate of Interest	The Rate of Interest that you will pay after the expiry of any initial Rate of Interest stated in the Mortgage Offer . This may be a rate linked to the Bank of England Base Rate, LIBOR or the Standard Variable Rate of Interest and is subject to change under condition 19.
Savings Plan	An investment policy or savings plan you have chosen to pay off the Capital on an Interest-Only Loan by the end of the Mortgage Term .
Standard Conditions	The Standard Conditions set out in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970. A copy of the Standard Conditions is contained in the schedule to this booklet.
Standard Variable Rate of Interest	The standard variable rate of interest that we charge which can be changed by us at any time whether on, before or after Completion .
Tariff of Charges	The tariff of fees we charge in connection with your Loan as sent to you from time to time. The tariff can be changed by us from time to time under condition 4.
Title Insurer	An insurance company we instruct to provide insurance cover for our benefit in connection with the legal title to the Property .
we, us, our, the Lender	Charter Court Financial Services Limited (incorporated in England and Wales with company number 6749498 and having its registered address as 2 Charter Court, Broadlands, Wolverhampton, WV10 6TD) currently trading as Precise Mortgages and its successors, assignees and transferees and any other person who is for the time being entitled at law to the benefit of the Loan or Mortgage .
you, your, yourself	The person (or people) named in the Mortgage Deed as the borrower. If there is more than one borrower, 'you' , 'your' and 'yourself' refer to each borrower jointly and individually. They will also refer to anyone who takes over your legal rights or duties (for example, a personal representative the Property passes to if you die).



Part 2: Your Agreement with us

1.2 The Agreement between you and us is made up of:

- a) the declaration you have provided in the **Mortgage Application**;
- b) these **General Mortgage Conditions**; and
- c) the **Standard Conditions**; and
- d) the **Mortgage Offer**; and
- e) any **Offer Conditions**; and
- f) the **Mortgage Deed**,

and includes any amendment to any of the above you and we may agree in writing from time to time (together all these terms are referred to as the 'Agreement').

1.3 If there are any differences between these **General Mortgage Conditions** or the **Standard Conditions** and the **Mortgage Offer** or the **Offer Conditions**, the **Mortgage Offer** and the **Offer Conditions** will always take priority. If there are any differences between these **General Mortgage Conditions** and the **Standard Conditions**, these **General Mortgage Conditions** will take priority.

Because these **General Mortgage Conditions** form part of the **Agreement** between you and us, we recommend that you keep this booklet in a safe place in case you want to refer to it later on.

Part 3: Your Responsibilities

This condition contains a summary of some of the **General Mortgage Conditions**. It is a summary only and does not replace anything in the **Agreement**. You must still read the whole of this booklet.

1.4 What you must do:

- a) You must repay to us the **Amount Owed** under the **Agreement** by the end of the **Mortgage Term** and in line with the **Agreement**.
- b) You must make the **Monthly Payments** on the **Payment Date** and by direct debit.
- c) You must pay any fees stated in your **Mortgage Illustration** before we make the **Loan**. Your **Mortgage Illustration** will state whether or not any such fees are refundable if you decide not to go ahead with the **Loan**.
- d) If any part of the payment method in the **Mortgage Offer** is interest-only and you have chosen not to make repayments of the **Capital** of the **Loan** (or any part that is interest-only), you will still need to make separate arrangements to repay the **Capital**. An **Interest-Only Loan** does not include any payments you may need to make to a **Savings Plan** to build up a lump sum to repay the amount you borrowed. Instead, it assumes you will pay off the amount borrowed as a lump sum at the end of the **Mortgage Term**. It is important that you make sure there is a suitable arrangement, such as a **Savings Plan**, in place as it is your responsibility to repay the **Loan** at the end of the term.
- e) You must take out and maintain during the **Mortgage Term** adequate buildings insurance to cover loss and damage to the **Property**. This means that, among other things, you must pay the **Property** buildings insurance premiums on time.
- f) You must keep the **Property** in good repair at all times.
- g) You must not give any person rights or create another mortgage or security over the **Property**, or let (unless your **Loan** is a **Buy-to-Let Loan**) or part with possession of the **Property** or any part of it.
- h) You must get our permission before altering or extending the **Property**. You must use the **Property** only as your home, unless your **Loan** is a **Buy-to-Let Loan**.



- i) **You** must keep to any restrictions, burdens or title conditions mentioned in the **Property's** title deeds, and any planning laws and building regulations that apply to the **Property**.
- j) **You** must repay all of the **Amount Owed**:
 - at the end of the **Mortgage Term**;
 - earlier if **you** sell the **Property** or choose to remortgage it; or
 - if **you** fail to keep to the **Agreement**.
- k) **You** must keep **us** informed of **your** address for correspondence.

1.5 What **we** may do:

- a) If **you** fail to make any **Monthly Payments** or **you** do not keep to any of **your** responsibilities under the **Agreement**, **we** may ask a court for a decree so that **we** can take possession of and sell the **Property**. If **we** have to sell the **Property**, **we** will sell it for the best price **we** can reasonably get at that time.
- b) If **we** sell the **Property** for less than the **Amount Owed**, **we** can recover from **you** any balance of the **Amount Owed** that remains outstanding and any **Expenses we** reasonably incur. **We** can charge **Interest** on that balance and those **Expenses** under this **Agreement** at the **Interest Rate** and recover that **Interest** and **Expenses** from **you** even if **we** have obtained a court decree requiring **you** to pay the whole or part of the **Amount Owed**.
- c) As **we** mentioned above, it is **your** responsibility to insure the **Property** at **your** own expense. **We** may ask **you** at any time to provide details of the buildings insurance cover and evidence that the buildings insurance is in place.

Part 4: General

2 Joint Mortgages

If two or more of **you** are named in the **Mortgage Deed** as borrowers, the **Mortgage** will be a joint **Mortgage** and the following terms will apply:

- a) **You** are individually responsible for following the terms of the **Agreement**, including, for example, making sure that the payments are made. **You** are individually responsible for ensuring that the entire **Amount Owed** is repaid. If **you** break the terms of the **Agreement**, **we** can take action against either or both of **you**. Any arrangements **we** make with one or some of **you** will not affect **our** rights against the other(s) or any responsibilities of the other(s) under the **Agreement**.
- b) **You** must read the **Agreement** carefully as it applies equally to both of **you**.
- c) **We** may give any information about the **Loan** and any transactions (including any changes **you** ask for, such as **Additional Borrowing**) to either of **you**.
- d) Either of **you** may instruct **us** to repay a joint mortgage account (see also g below).
- e) If either of **you** dies, **we** can treat the survivor as fully liable to meet the responsibilities **you** have under the **Agreement**. **We** will amend the joint **Account** to an **Account** under the **Agreement** in the survivor's name.
- f) If **you** both share the same address, a notice **we** send to one of **you** will count as a notice to both of **you**. **We** will send correspondence relating to the **Loan** and the **Agreement**, and any statements relating to **your** joint **Account**, to the first address listed for the **Account**. If **you** are joint borrowers and have different addresses, **we** will send a separate notice to both addresses as long as **you** have provided this information.
- g) If **your Loan** is portable, and only one of **you** exercises the option to transfer the **Loan** to a new **Property**, **we** will require written consent to the transfer from both of **you**. Details as to whether **your Loan** is portable can be found in the **Mortgage Offer**.



3 About your Mortgage Offer

3.1 There is no binding legal agreement between **you** and **us** until **we** make the **Advance**. This means that until **we** make the **Advance**, the following apply:

- a) **You** do not have to go ahead.
- b) **We** have the right to change the terms of **our Mortgage Offer** and any **Offer Conditions** that may apply, or to withdraw the **Mortgage Offer** altogether and decline to make the **Advance** before **Completion**. If **we** change the terms of the **Mortgage** **we** will send **you** a new **Mortgage Offer** to replace **your** original offer.

Any **Mortgage Offer** will cease to have effect if **we** send **you** a new **Mortgage Offer** before making the **Advance** the subject of that **Mortgage Offer**.

3.2 Although **we** do not have to go ahead with the **Advance**, generally **we** will only withdraw **our Mortgage Offer** in the following circumstances (**we** can do this immediately and without telling **you**, but **we** will notify **you** about the withdrawal of **our Mortgage Offer** if **we** reasonably can) if:

- a) **we** have not released the **Advance** on or before the expiry date stated in the **Mortgage Offer**.
- b) **our** legal advisers tell **us** they cannot carry out any of **our** instructions or cannot confirm that the title of the **Property** is satisfactory;
- c) an appointed **Title Insurer** tells **us** that they cannot carry out any of **our** instructions or cannot give a certificate of insurance;
- d) there is a material change in **your** circumstances since **you** made the **Mortgage Application**;
- e) any of the information given by **you** for or connected with the **Mortgage Application** is inaccurate, false or incomplete;
- f) any further investigation recommended in any **Property Inspection Report** reveals anything which adversely affects the value of the **Property** or its suitability as security for the **Loan**;
- g) **you** cannot keep to any of the terms of the **Mortgage Offer**;
- h) for any reason, **we** have reasonable doubts about the value of the **Property** or whether the **Mortgage** or any other security held for the **Loan** can be enforced;
- i) for any other reason, **we** have reasonable doubts about whether **you** will be able to repay any of the **Amount Owed**;
- j) **we** decide to change **our** lending policy or practice, or any matter arises (including any changes to the way **we** are funded or any changes to general economic conditions) which leads **us** to consider it undesirable to make the **Advance**;
- k) for any reason, any insurer is not prepared to take out satisfactory buildings insurance for the **Property**; or
- l) **we** reasonably believe there is any other valid reason not to go ahead with the **Advance**.

3.3 **We** may change the **Monthly Payment** and **Rate of Interest** set out in the **Mortgage Offer** in circumstances where **we** would be able to make these changes after **Completion**. If **we** make such changes, **we** will notify **you** of this in accordance with conditions 17 or 19 as appropriate.

3.4 **You** must notify **us** immediately if **your** circumstances change before **we** release the **Advance** or there is any material change in the information **you** have supplied to **us** in the **Mortgage Application**.

3.5 If **you** are happy with the terms of the **Mortgage Offer** and wish to proceed to **Completion** **you** should inform **your** legal adviser.

3.6 **We** will not release the **Advance** until **we** are ready and any legal adviser **we** have instructed to act for **us** has confirmed that all the relevant **Offer Conditions** have been met and the title to the **Property** is satisfactory. **We** will release the **Advance** to any legal adviser **we** have acting for **us** but only if **your** legal adviser has requested the **Advance** is released. **Interest** will be payable on the **Advance** from **Completion** even if it is released to **our** legal adviser at **your** legal adviser's request before **you** need to use it.



3.7 You must make the **Monthly Payments** by direct debit. You must complete a direct debit mandate as part of the **Mortgage Application**. **Completion** will be delayed if we do not have your bank details.

4 Fees

4.1 You must pay any reasonable **Fees** we charge arising in connection with the **Agreement** when we ask you to pay them.

4.2 Our **Fees** will be detailed in our **Tariff of Charges** which we will send to you with the **Mortgage Offer**. We will send you a copy of our **Tariff of Charges** each year and at any other time if you ask for a copy. We may change the amount of **Fees** we charge or add or remove **Fees** from the **Tariff of Charges** we publish in order to reflect changes in our operating costs or the costs of doing the work for which the fee is charged. Any **Fees** incurred by you and not paid immediately will be added to the **Amount Owed** by you but you do not have to pay **Interest** on **Fees**.

5 The Mortgage

5.1 Before **Completion** can take place you must sign a **Mortgage Deed** giving us a first priority security over the **Property**. This will be our security for the **Loan** and any **Additional Borrowing** we make.

5.2 Any existing standard security on the **Property** must be paid off before the **Mortgage Deed** is completed unless we otherwise agree.

5.3 Our rights under the **Mortgage Deed** must have priority over any other rights in the **Property**.

5.4 If you are a single person you must on or before **Completion** sign a declaration (in the form provided by us) confirming that the **Property** and the **Mortgage Deed** are not and will not be subject to any other person's right of occupation.

5.5 If you are married or in a civil partnership and your spouse or civil partner is not a joint **Borrower** then your spouse or civil partner must on or before **Completion** sign a consent (in the form provided by us) consenting to the making of the **Advance** and any **Additional Borrowing** and agreeing not to claim any right or interest in the **Property** against us.

6 Communications between Us

6.1 You can telephone us at any time between 9am and 5pm on any **Business Day** on the **Customer Service Number**. If our contact details change, we will let you know.

6.2 We may record or monitor telephone conversations:

- a) to make sure we carry out your instructions accurately;
- b) to help us maintain the quality of our service; and
- c) for security and training purposes.

6.3 You can also write to us at our contact address, PO Box 6037, Wolverhampton WV1 9QW, unless we say otherwise. If our contact address changes, we will tell you. If you give us any notice under the **Agreement**, it will not be valid until we have received it. If you send us any original, valuable or important documents, we recommend that you use special delivery or a similar service.

6.4 We may contact you using the most recent e-mail address, permanent postal address or phone number you have given us. You will have to accept (and, as appropriate, must follow) any notice we send you at the last relevant address you have given us. We will not send any confidential information to you by e-mail.

6.5 When we are required to give notice to you, for example to notify you of changes to the **Rate of Interest** or the **Monthly Payment**, we will do so by:

- a) post addressed to you at the correspondence address you provide or at the **Property**. Any notice given will be considered to be received by you 48 hours after posting; or



b) any other reasonable method available by law.

6.6 You must tell **us** if **your** contact details change by:

- a) writing to **us** at **our** contact address referred to in condition 6.3; or
- b) using the **Customer Service Number**.

6.7 We will communicate with **you** in English and all documents **we** send **you** and use will be in English.

7 Higher Lending Charge

Sometimes a **Mortgage Offer** will indicate that a higher lending charge is to be made. This charge represents the additional risks to **us** involved in lending where an **Advance** is a high percentage of the value of the **Property**. **We** use this charge to cover **our** risks of lending by purchasing insurance or creating funds against this risk. This is for **our** protection not **yours**.

If **you** pay the higher lending charge, the charge is not refundable.

8 Delay

If **we** relax any term of the **Agreement** for **you** or **we** delay in enforcing any of **our** rights under the **Agreement** this will not prevent **us** from enforcing them strictly at any time.

9 Indemnity

If a claim is made or a defence is raised against **us** because of something **you** do wrong or fail to do that **you** are supposed to do in relation to the **Mortgage we** provide, or if **you** break the terms of the **Agreement**, **you** must indemnify **us**. This means that **you** must pay **us** the full amount of **our** losses, liabilities, costs and payments (which would not have arisen otherwise) in any way to do with the claim, defence or breaking the **Agreement**. This includes any **Expenses we** have incurred.

10 Law

The **Agreement** is governed by the laws of Scotland. The courts of Scotland will deal with any claim, dispute or difference arising from the **Agreement**.

11 The Entire Agreement

These **General Mortgage Conditions**, the **Standard Conditions**, the declaration in the **Mortgage Application**, the **Mortgage Offer** and any **Offer Conditions** and the **Mortgage Deed** comprise all the terms agreed between **you** and **us** for the **Loan**. As a result, it is very important that **you** read all of these documents carefully to make sure that they reflect **your** understanding of the arrangement between **you** and **us**.

12 Our Right to Transfer

- 12.1** From time to time **we** may sell, transfer, assign, novate, grant security over, put into trust or otherwise dispose of, in whole or in part, any **Loan, Mortgage** or other related security to any person or organisation.
- 12.2 You** agree that any **Disposal** under condition 12.1 may be legal or beneficial and may be by way of absolute assignation or by way of security only.
- 12.3 You** agree to each **Disposal** under condition 12.1 that **we** may make and **you** understand and agree that **we** may do so without giving notice to **you** and without **your** consent.
- 12.4 You** understand that a **Disposal** under condition 12.1 typically involves **us** transferring all or some of the rights and obligations that go with the **Loan, Mortgage** or the related security to another person or organisation.
- 12.5 You** agree that **we** may provide information about (i) **your Mortgage Application** and any supporting documentation, (ii) **your Mortgage, Loan** and any related security, (iii) any other information relating to the **Property**, (iv) the history and



conduct of **your Account**, (v) the results of any statistical, monitoring or quality analysis activity that **we** may carry out on **your Account** from time to time and (vi) any other relevant information, (a) to any such person or organisation who does, or **we** believe wishes to, enter into any **Disposal** with **us** or who does or **we** believe wishes to fund or otherwise be involved in any **Disposal**; (b) to any purchaser or potential purchaser of **the Lender** or any person who does or **we** believe wishes to fund or otherwise be involved in any such purchase; and (c) to any person who was previously **the Lender** under the **Agreement**. **We** may provide that information at any time on, prior to or after any actual or potential **Disposal** under condition 12.1. **You** understand that **we** may provide such information to any such person or organisation including, but not limited to, credit reference agencies for the purpose of quality analysis.

12.6 If the transferee, assignee or other grantee is a building society **you** agree to be bound by the rules of such building society. If any transfer, assignation or other disposal is by a building society **you** understand that unless the building society decides otherwise (which it will not be obliged to do) this will lead to termination of **your** borrowing membership of the building society and the loss of any rights associated with such membership only to the extent that such membership arises from this **Mortgage**.

12.7 **You** agree that any transferee, assignee or other grantee at law of the **Loan** or **Mortgage** may change the **Tariff of Charges** applicable to **your Loan** and may set the **Standard Variable Rate of Interest** (if any) charged on the **Loan** independently of the rate set by **us** and any previous transferee, assignee or grantee.

13 Third Party Rights

Anyone who is not a party to the **Agreement** will have no rights under the **Agreement**.

Part 5: Loan and payment conditions

14 The Loan and Payment Terms

14.1 The **Loan** is made up of the **Advance** and any **Additional Borrowing** **we** may make.

14.2 The **Amount Owed** comprises the **Advance** and all of the money **you** owe to **us** now or in the future under the **Agreement**, including all **Interest** accrued or charged under this **Agreement**, any **Additional Borrowing**, and **Fees** and any **Expenses** **you** must pay in line with the **Agreement**.

14.3 Once **we** make the **Advance**, a legally binding **Agreement** is created between **you** and **us**.

14.4 Unless **you** have chosen an **Interest-Only Loan**, **you** must repay the **Capital** with **Interest** over the **Mortgage Term** of the **Loan** by making the **Monthly Payments**. **You** must repay the **Amount Owed** no later than the last day of the **Mortgage Term**.

14.5 If **you** have chosen an **Interest-Only Loan**, the **Monthly Payment** will comprise of only the payment of **Interest** on the **Capital** and not include any repayment of the **Capital** part of the **Loan**. **You** must repay the **Amount Owed** no later than the last day of the **Mortgage Term**.

14.6 **We** will take the **Monthly Payments** by direct debit from a current account **you** have told **us** that **you** would like the payments taken from on the **Payment Date**. If any direct debit payment is refused or recalled by **your** bank or building society, then **we** shall charge **you** an administration fee for each unsuccessful application for payment. The amount of such administration fee shall be determined in accordance with **our Tariff of Charges** and shall be payable by **you** on demand.

14.7 The first **Monthly Payment** is due on **your** first **Payment Date**. After that, **Monthly Payments** are due on the **Payment Date** in every **Month** until **you** pay off the **Amount Owed**. If the **Payment Date** is on a weekend or a bank holiday, the payment is due on the first **Business Day** following that date. If **you** fail to make the **Monthly Payments** on time, **you** will have to pay **us** **Fees** as contained in the **Tariff of Charges** (this will not affect **our** other rights under the **Agreement**).



14.8 We may change the **Payment Date** at any time for the following reasons:

- a) to incorporate reasonable changes in **our** business;
- b) to reflect changes in the practice of other mortgage lenders;
- c) to reflect technological changes.

We will give **you** not less than two months' notice in advance of any change **we** make to the **Payment Date**.

14.9 In addition to **your Monthly Payment**, an additional initial payment must be paid by **you** with the **First Payment**. This will cover **Interest we** charge from the date of **Completion** to the end of the **Month** in which the **Loan** completed.

15 Paying back the Amount Owed

15.1 **You** must repay the **Amount Owed** under the **Agreement** no later than the last day of the **Mortgage Term**. If any other condition requires **you** to pay any part of the **Amount Owed** earlier (for example, **Monthly Payments, Fees** and **Expenses**), **you** must comply with that condition.

15.2 **You** must repay the **Amount Owed** whether or not the money from selling the **Property** or any other security for it is enough to repay the **Amount Owed**.

15.3 **You** must repay all of the **Amount Owed** outstanding when the **Property** is sold. **You** must do this once the sale completes.

15.4 **You** will have no right of set-off in respect of any sums payable by **you** to **us**.

16 Interest-Only Loans

If the **Loan** or any part of it is an **Interest-Only Loan**, **you** must make suitable arrangements to pay off the **Capital** at the end of the **Mortgage Term**. If **you** arrange a **Savings Plan** **you** must keep it in place to repay the **Capital** of the **Loan**. If **your** arrangement does not produce enough money to pay off the **Capital** at the end of the **Mortgage Term**, **you** will have to pay off the shortfall **yourself**.

17 Changes in the Monthly Payments

17.1 The amount of **your** initial **Monthly Payment** is set out in the **Mortgage Offer**. **We** may change the **Monthly Payment** **you** make by giving fourteen days' notice to **you** in advance:

- a) if there is a change in the **Rate of Interest**. Any notice **we** give **you** will state when the change in the **Interest Rate** will come or did come into force;
- b) to cover any **Expenses** and any **Interest** on them and **Fees**;
- c) to reflect any changes agreed between **you** and **us** in the number or amount of **Monthly Payments** to be made under the **Agreement**;
- d) if there is a change in the **Amount Owed** such as if **you** take any **Additional Borrowing** or **you** pay part of the **Loan** early;
- e) if **you** have made a payment of an amount less than the correct **Monthly Payment** (even if this is a result of **our** mistake in working out the **Monthly Payment** or any other amounts **you** owe);
- f) if **we** have applied, changed or cancelled any arrangement allowing **you** to delay paying the **Loan** or any other amounts **you** owe **us**;
- g) if **we** need to provide for any other matter to make sure that all or part of the **Amount Owed** is repaid by the end of the **Mortgage Term**.

17.2 If the **Rate of Interest** **you** pay changes between the date of the **Mortgage Offer** and the date **your** first **Monthly Payment** is due, **we** may be unable to give **you** fourteen days' notice of any change to **your Monthly Payment** but **we** will give **you** notice in advance of the change as soon as we reasonably can.



17.3 We will initially collect **your Monthly Payment** in advance on each **Payment Date** (other than the first **Monthly Payment** which may be collected partly in arrears). We can from time to time collect the **Monthly Payment** in advance or in arrears or partly in advance and partly in arrears. If we change the way we collect the **Monthly Payment** we will give you 1 month's notice of this in advance and we will only make the change:

- a) to incorporate reasonable changes in our business;
- b) to reflect changes in the practice of other mortgage lenders;
- c) to reflect technological changes.

18 Interest

18.1 Interest will accrue daily on the **Amount Owed** (excluding **Fees**) on each day at the **Rate of Interest**.

18.2 Interest will start accruing from and including the date of **Completion** up to and including the date the **Amount Owed** is repaid in full. If in any **Month** we lend any further money to you (for example, if we make another **Advance** to you or if we release the **Loan** to you in instalments) **Interest** will accrue on that further money from and including the day it is lent or released to you or your legal representative.

18.3 If you fail to pay any other money which is owed to us (other than the **Fees**) when you are obliged to, **Interest** will accrue on that money from and including the date on which you should have paid it until it is paid.

18.4 Interest which accrues in any **Month** or part of a **Month** and is not paid before the end of the **Month** will be added to the **Account** (and will be treated as part of the **Amount Owed** and will then be payable by you) on the first **Business Day** of the following **Month** save that: **Interest** accruing in the **Month** or part of the **Month** in which the **Amount Owed** is repaid in full may be added to the **Account** (and will be treated as part of the **Amount Owed**) at any time during that **Month** or part of the **Month** which the **Amount Owed** is repaid in full. This means that you will be charged **Interest** on **Interest**.

18.5 You must pay us **Interest** which accrues in any **Month** or part of a **Month** before the end of that **Month**, or if earlier, before the **Amount Owed** is repaid in full. If you do not, we will charge you and you must pay us on the first **Business Day** of the following **Month**, **Interest** on the **Interest** you have not paid. This may occur in some cases if the **Monthly Payment** is not sufficient to pay all the **Interest** accrued in the relevant **Month**.

18.6 The initial **Rate of Interest** we charge you is set out in the **Mortgage Offer**. If you are charged a special **Rate of Interest** this is shown as an initial **Rate of Interest** and will apply for the period as set out in the **Mortgage Offer**.

18.7 We will continue to charge you **Interest** at the **Rate of Interest** even after any court decree requiring you to pay the whole or any part of the **Amount Owed**.

18.8 The **Rate of Interest** is an annual rate. To calculate the amount of **Interest** accruing on a daily basis, we divide the annual amount of interest by 365, except in a leap year where the annual amount of interest will be divided by 366.

18.9 We may change the method of calculating the **Interest** (including whether it is charged in advance or in arrears) to reflect changes in our procedures or systems. If we transfer any or all of any part of our **Loan** to another person that person may change such method to reflect their procedures and systems. Any change in such method would not materially increase your obligations. We will give you not less than 1 month's notice in advance of any change in the method of calculating **Interest**.



19 Changes to the Rate of Interest

19.1.1 If the **Rate of Interest** you are charged is the **Standard Variable Rate of Interest**, we may change it at any time for any of the following reasons:

- To enable us to respond proportionately to a change which has occurred, or which we think is about to occur, in the costs of funds we use in our lending business or to fund your Loan.
- To enable us to respond proportionately to a change which has occurred, or which we reasonably expect to occur, in our reasonable assessment of the risk, or of the cost or pricing of that risk, in relation to your Loan and any similar loans we hold in our business generally.
- To enable us to respond proportionately to a change which has happened, or which we reasonably believe is about to happen in the **Bank of England Base Rate** or **LIBOR** or interest rates generally.
- To reflect a change in the law, regulatory requirements (including a recommendation by an ombudsman or any similar body), or any relevant code of practice or general industry practices.

We will give you at least 14 days' notice in advance of any change to the **Standard Variable Rate of Interest**, and the change will take effect on the date specified in that notice.

19.1.2 If the **Rate of Interest** you pay is linked to the **Bank of England Base Rate** or **LIBOR** it will change automatically to reflect any change in the **Bank of England Base Rate** or **LIBOR** and will take effect on the day of such change (if the **Rate of Interest** is linked to the **Bank of England Base Rate**) or on the **LIBOR Setting Date** (if the **Rate of Interest** is linked to **LIBOR**).

We will give you notice of any change in the **Bank of England Base Rate** or **LIBOR** within a reasonable time after that change.

19.2 If the **Rate of Interest** you are charged is a **Fixed-Rate**, we will not change the **Rate of Interest** you are charged until the **Fixed-Rate Period** ends unless we do so under condition 19.3. After the **Fixed-Rate Period** ends, the **Rate of Interest** on the **Loan** will change to the **Reversionary Rate of Interest** detailed in the **Mortgage Offer**.

19.3 We may change the **Rate of Interest** you are charged at any time to reflect a change in the value of our security because of the way in which the **Property** is used or occupied under condition 28.3.

19.4 We may reduce the **Rate of Interest** at any time without giving prior notice.

19.5 We will give you at least 14 days' written notice of a change to the **Monthly Payment** following a change in the **Rate of Interest**. The **Monthly Payment** will change on the next **Payment Date** following expiry of the 14 days.

19.6 If the **Rate of Interest** increases, the next **Monthly Payment** you make may not be sufficient to pay all of the **Interest** that accrued in the previous **Month**. If this occurs, any unpaid **Interest** will be added to the **Amount Owed** and you will pay **Interest** on it. You can contact us to pay any unpaid **Interest** instead if you wish to prevent this happening.

19.7 If the **Rate of Interest** decreases the next **Monthly Payment** you make may be more than the amount required to pay the **Interest** that accrued in the previous month. If this occurs, we will use any additional amount you pay in accordance with condition 26.

20 Early Repayment

20.1 If the **Loan** or part of the **Loan** is repaid before the end of the **Mortgage Term**, you may need to pay an **Early Repayment Charge** in accordance with the **Mortgage Offer**. If we demand you immediately repay the **Amount Owed** under condition 23 we will require you to pay any **Early Repayment Charge** that is incurred. We will not require you to pay any



Early Repayment Charge if **we** have demanded immediate repayment of the **Amount Owed** as a result of **your** death.

20.2 If **you** ask **us**, **we** will tell **you** how much **you** will need to pay on the date for early repayment.

20.3 If **you** make a **Capital Repayment** of part of the **Loan**, an **Early Repayment Charge** may be payable in accordance with the terms stated in the **Mortgage Offer** and **we** may deduct these from any amount received before applying the **Capital Repayment** to **your Loan**. Any **Capital Repayment** **you** make will be credited to the **Account** on the day it is received by **us**.

20.4 **You** must pay **us** any **Fees** payable under the **Tariff of Charges** in connection with any early repayment.

21 Our Expenses

You must pay **us** the following **Expenses** (which may include legal, surveying or other professional fees **we** pay) within 14 days of the day **we** ask **you** to pay them:

- a) All reasonable costs, charges and fees as they arise (whether **we** demand them or not) which **we** reasonably incur in connection with the **Agreement**.
- b) The costs **we** reasonably incur in any legal action relating to the **Agreement**.
- c) The costs **we** reasonably incur in enforcing any of **our** legal rights under the **Agreement**.
- d) The costs **we** reasonably incur in putting right any failure by **you** to keep to the **Agreement**.
- e) Any administration costs **we** reasonably incur in doing any work connected with the **Agreement**, (including costs arising from finding **you** and communicating with **you**, collecting amounts **you** owe and enforcing the **Mortgage Deed**) and which are not covered by **our Fees**.

All **Expenses** will be added to the **Amount Owed** by **you**. **Our Expenses** will bear **Interest** at the **Rate of Interest** from the day 14 days after the date **we** asked for them to be paid.

You can contact **us** to arrange payment of **Expenses** at any time, if **you** wish to avoid increasing the **Amount Owed** or incurring **Interest** on the **Expenses**.

22 DWP Overpayments

If the Department for Work and Pensions or any other government or regulatory body at any time is making any payment to **us** towards payment of **your** obligations under the **Agreement** and they make any overpayment which **we** have to refund, **we** will tell **you** of the refund and **you** must immediately reimburse **us** and make good any deficit which arises.

23 Demanding Immediate Repayment

We can demand that **you** immediately repay the **Amount Owed**, at any time, if any of the following events happen:

- a) **You** are in arrears meaning that **you** have failed to make any two **Monthly Payments** in full on the **Payment Date** and at the time of **our** demand those **Monthly Payments** have still not been paid in full.
- b) **You** do not pay any other amount **you** owe **us** under the **Agreement**.
- c) **You** break any of the terms of the **Agreement**.
- d) **You** create rights or grant interests in the **Property** that affect **our** ability to enforce the **Mortgage** satisfactorily.
- e) Any part of the **Property** is bought under a compulsory purchase order or requisitioned.
- f) The **Property** or any part of it is damaged and in **our** opinion or that of **our** agents, the value of **our** security is lowered.
- g) **You** become bankrupt or are sequestrated or **you** make any formal arrangement with the people **you** owe money to, or **we** reasonably believe that **you** are likely to do so.
- h) **You** (or someone on **your** behalf) give **us** wrong information or failed to give information when **you** applied for the **Loan**, and that information has had or would have had a significant negative effect on **our** decision to lend or continue to lend to **you**.
- i) Any person with a right, claim or interest in the **Property** takes legal action to repossess it or to enforce their interests.



- j) If **you** are the only borrower, **you** die or if there is more than one of **you**, the last one of **you** dies (in this condition 23(j), "**you**" does not include **your** personal representative). Where a surviving joint borrower exists the remaining borrower is individually responsible for ensuring that the **Monthly Payments** are made and the **Amount Owed** repaid.
- k) The **Mortgage Deed** is no longer valid or legally binding for any reason.
- l) If **your Property** is held under a long lease and **you** break the terms and conditions of the lease and fail to take remedial action within any timescale set by the landlord in accordance with terms of the lease.
- m) **You** break the terms and conditions of the **Agreement** and so receive a notice under section 21 of the Conveyancing and Feudal Reform (Scotland) Act 1970 demanding that **you** take action to put the situation right and **you** fail to do so within the time set out in the notice
- n) Unless **you** have a **Buy-to-Let Loan**, **you** lease or let the **Property** without **our** permission or whether or not **you** have a **Buy-to-Let Loan** **you** let in such a way that breaks the **Agreement**.
- o) **You** fail to pay any amount which **you** owe **us** under any other agreement or standard security that **you** have with **us** within two **Months** of such amount becoming due or if **you** break any of **your** other obligations to **us** under any such agreement or standard security (even if **you** have complied with **your** obligations under the **Mortgage**).

24 Amounts you still owe at the end of the Mortgage Term

If **you** still owe **us** any amounts after the end of the **Mortgage Term**, **you** must immediately repay any amounts outstanding. **Interest** will continue to build up at the **Rate of Interest** on any such amounts and **you** will still have to pay **Expenses** **you** incur in line with condition 21. **We** will not release or discharge the **Mortgage** until **you** repay the **Loan** in full.

25 Additional Borrowing

25.1 If **your Mortgage Offer** states that the terms of **your Loan** allow **you** to apply for **Additional Borrowing**, **you** may apply for **Additional Borrowing** at any time following the end of six months after the date **we** made the original **Advance**.

25.2 If **you** apply for any **Additional Borrowing**, **we** will carry out a credit assessment and **our** prevailing underwriting conditions will apply. **We** have no obligation to grant any **Additional Borrowing** even if **our** underwriting conditions are met.

25.3 If **we** make an **Additional Borrowing Offer**, these **General Mortgage Conditions** will apply to that **Additional Borrowing** unless **you** and **we** agree otherwise in writing.

25.4 **You** will need to repay any **Additional Borrowing** made, together with **Interest** charged on the **Additional Borrowing**, within the repayment period allowed for the **Additional Borrowing**.

26 Application of Payments

26.1 **We** can apply any payment made by **you** against any part of the **Amount Owed** in a manner which **we** from time to time reasonably decide.

26.2 **We** can from time to time change the manner in which **we** apply payments made by **you** against the **Amount Owed**.

26.3 **We** will act reasonably in exercising **our** rights under conditions 26.1 and 26.2.

26.4 **We** will from time to time give **you** notice of the manner in which such payments are applied against the **Amount Owed** and **we** will give **you** at least 14 days notice in advance if **we** change that manner.

26.5 For the avoidance of doubt, in exercising **our** rights under this condition 26 but without preventing **us** from applying payments differently, **we** may apply any payment made by **you** against **Expenses** before **Fees**, against **Fees** and **Expenses** before **Early Repayment Charges**, against **Expenses** before **Interest**, and against **Interest** before **Capital**.



Part 6: Mortgage and Property Conditions

27 Your mortgage

- 27.1** The **Mortgage** is **our** security for every part of the **Amount Owed** and **All Other Debt**.
- 27.2** The **Mortgage Deed** is **our** continuing security for the **Amount Owed** and **All Other Debt**. This means that the **Mortgage Deed** will stay in force until the **Amount Owed** and **All Other Debt** is repaid in full.
- 27.3** The **Mortgage** does not secure any loan which is regulated by the Consumer Credit Act 1974 unless the Agreement for that loan says that it will be secured by **your Mortgage**.
- 27.4** **Our** power to sell the **Property** by law arises as soon as **you** sign the **Mortgage Deed**.

28 The Property

Looking after the Property

28.1 **You** must do the following:

- a) Live in and use the **Property** as **your** permanent home unless **your Loan** is a **Buy-to-Let Loan**.
- b) Look after the **Property** so that it keeps its value as **our** security. This means putting it, and keeping it, clean and in good repair and condition and keeping to all responsibilities and restrictions that apply to it. **You** agree to complete any unfinished work on the **Property** as soon as possible and to a high standard.
- c) Give **us** a copy of any notice or demand **you** receive in connection with the **Property** within a reasonable time. **You** will take all reasonable and necessary steps to comply with the requirements of any such notice. If **you** receive any compensation arising from any notice **you** receive, **you** must pay this compensation to **us** and **we** will use it to reduce the outstanding balance of the **Loan**. **You** will hold on trust for **us** any compensation money **you** receive.
- d) Not neglect or damage the **Property** or do anything else to reduce its value.
- e) Not do anything on the **Property** which might harm any insurance or which may increase the premium due for that insurance.
- f) Not make any structural or significant alterations to the **Property** unless **you** have **our** permission beforehand.
- g) Give **us** a new **Standard Security** (if **we** ask) over any new or increased interest **you** get in the **Property**.
- h) Not alter the **Property** nor grant rights in it to anyone (or allow anyone to get rights in it) or do anything which would reduce its value.
- i) Not grant or agree to grant a lease or tenancy of all or any part of the **Property**, unless **you** have a **Buy to Let Loan**.
- j) Pay any rent, rates, taxes or other bills that are due for the **Property**, even if **you** are not personally responsible for paying them. If **we** require, **you** will produce all receipts for such payments to **us** within a reasonable time. **You** agree that if **you** fail to pay any of these bills or costs, **we** may pay them on **your** behalf and add the amounts to the **Amount Owed**.
- k) **You** must allow **us** or **our** agents to inspect the **Property** so **we** may be sure **you** are complying with the **Agreement**. **We** will only inspect the **Property** at a reasonable time.
- l) **You** will keep to all laws and obligations which affect the **Property** or its use.
- m) **You** will not without **our** prior written consent, create or allow to exist any security over the **Property** other than the **Mortgage**.

28.2 If **you** do not comply with any of the obligations **you** have regarding the **Property** **we** may do so on **your** behalf and at **your** expense.



28.3 If at any time **you** have let the **Property** against the terms and conditions of the **Agreement**, **we** may without affecting **our** other rights under the **Agreement**:

- a) demand that **you** immediately repay the **Loan**; and/or
- b) increase the **Rate of Interest** by 1% to reflect that the lending has changed and the extra lending risk **we** incur; and/or
- c) evict the tenant.

29 Insurance

29.1 Subject to Condition 30.2, **you** must insure the **Property** and its fixtures against loss and damage for the full reinstatement value of the **Property** (which is the full cost of rebuilding the **Property**, including all professional fees and the cost of meeting planning and local-authority requirements).

29.2 **You** must insure the **Property** even if the **Property** is let. **You** must ensure that the tenant is aware of any conditions made by the insurance company.

29.3 **You** must keep the insurance in force until **you** have repaid the **Loan** in full.

29.4 The insurance policy must be a comprehensive policy of insurance which:

- a) covers fire, subsidence/heave, landslip, aircraft, explosion, storm, flood, earthquake, impact, bursting/leaking of water tanks or pipes, riot, vandalism and acts of malicious damage and any other risks as **we** may from time to time reasonably demand;
- b) contains a clause protecting **our** interest in the insurance if **you** or anyone else living in the **Property** is negligent (a 'mortgagee's protection policy');
- c) is with a reputable insurance company for at least the full reinstatement value of the **Property**; and
- d) has an excess that is reasonable and not more than £1,000 for claims for subsidence, landslip or heave.

A copy of the insurance policy must be sent to **us** for **our** records and a copy of the latest renewal receipt must be supplied to **us** whenever requested.

29.5 The insurance policy must be in force:

- a) if **you** are buying the **Property**, when missives are concluded or the date on which risk in the **Property** passes to **you**, whichever occurs later; or
- b) if **you** are remortgaging the **Property**, before the remortgage completes.

29.6 **You** must pay all of the insurance premiums on time. If **your** policy is cancelled or lapses at any time, **you** must inform **us** immediately.

29.7 **You** must show **us** the policy and receipts for **your** premium payments if **we** ask to see them.

29.8 **We** will take action against **you** for any loss **we** may suffer arising from **you** failing to insure the **Property** satisfactorily.

29.9 **You** must immediately tell **us** about any damage to the **Property** which may give rise to a claim under the insurance policy.

29.10 **You** must not do anything which could make it more difficult or expensive to keep the **Property** insured or which could make the insurance invalid.



29.11 We are entitled to settle and adjust all claims with insurers regardless of whether the insurance is arranged by us or is an independent insurance policy, but we will act reasonably in doing so.

29.12 You must hold any money that you receive under any insurance of the Property on trust for us. However, we agree that all monies which either you or we receive under any insurance of the Property are to be used at your option either:

- a) to make good any damage or loss for which the money was received; or
- b) to repay all or part of the Amount Owed.

29.13 We reserve the right to take over the arrangement of the insurance of the Property at any time if we consider that the amount or type of cover set up by your insurer (or, where the Property is leasehold, set up by an insurer under condition 30.2) is inadequate or if the policy is cancelled or lapses.

30 Leasehold Properties

30.1 If the Property is held under a long lease:

- a) the lease must either be recorded in the General Register of Sasines or registered in the Land Register of Scotland;
- b) the term left to run on the lease must be at least 30 years at the end of the Mortgage Term and the landlord must have no right to terminate the lease earlier (other than pursuant to an irritancy clause);
- c) the lease must not contain an irritancy clause which says you must give up the lease if you become bankrupt or are sequestered;
- d) you or your landlord must not have broken any of the obligations or undertakings under the lease;
- e) there must be no restriction on transferring the Property (if you need your landlord's permission, he or she must not unreasonably withhold their permission);
- f) there must be no restriction on granting a right in security over the Property (if you need your landlord's permission, he or she must not unreasonably withhold his or her permission);
- g) the lease must not contain any clause that may result in a substantial and material increase in ground rent or any provision inhibiting the payment of a premium on the assignation of the lease;
- h) there must be adequate arrangements for managing, maintaining and repairing the Property (including enforcing clauses and recovering financial contributions from each leaseholder);
- i) all necessary servitudes and title conditions connected with access, support and maintenance must be granted and reserved;
- j) any management company must be a limited company that is solvent and able to meet its responsibilities; and
- k) you must notify us immediately if your landlord takes steps to irritate the lease.

30.2 If the Property is held under a long lease and its lease makes someone else legally responsible for arranging buildings insurance for the Property, you do not have to arrange your own separate cover. However, it must be a term of the lease that the landlord or a management company insures the whole building of which the Property is part. You must make sure that:

- a) the cover includes all the risks that we reasonably require;
- b) the cover is for the full reinstatement value of the Property;
- c) the cover is for the whole building of which the Property is part;
- d) any money claimed under the policy is used to restore the buildings and fixtures; and
- e) the insurance is adequate and that the policy mentions your and our rights.



30.3 You must get **our** approval before **you**:

- a) give up the lease;
- b) agree to amend the terms of the lease;
- c) buy the heritable title to the **Property** or any land or building that includes the **Property**; or
- d) extend the lease.

We will give **our** approval unless it is reasonable for **us** to refuse it.

31 Management Companies

If **you** own the **Property** on terms which allow **you** to hold shares in a management or resident's company, **you** agree to give **us your** share certificate or membership certificate when **we** ask **you** to do so together with a share transfer form and allow this to be transferred to **us** so that if **we** need to repossess the **Property** or sell it, **we** can transfer **your** shares or membership to any person to whom **we** have sold the **Property** under **our** power of sale. **We** may receive consideration for any such transfer. **We** may exercise any voting rights as a result of **our** having taken possession of the **Property**.



Part 7: Our Powers

32 Enforcing our rights

32.1 In this condition 'Acts' means the Conveyancing and Feudal Reform (Scotland) Act 1970, the Mortgage Rights (Scotland) Act 2001 and the Home Owner and Debtor Protection (Scotland) Act 2010.

32.2 If any of the events in condition 23 happen, **we** may demand that **you** immediately pay **us** the **Amount Owed** and **you** must make immediate payment of the **Amount Owed** to **us**.

32.3 If any event happens which gives **us** the right to demand that **you** immediately pay the **Amount Owed**, **you** will be in default under the Conveyancing and Feudal Reform (Scotland) Act 1970 and **we** may use any of the powers to enforce the **Mortgage** the Acts give **us**.

32.4 If any of the events in condition 23 happen, which give **us** the right to demand that **you** immediately pay the **Amount Owed**, **we** may:

- a) Take possession of the **Property** or if the **Property** is let, collect any rent payable.
- b) Carry out any repairs, alterations and improvements to the **Property**.
- c) Exercise **our** right to sell the **Property**. **We** may sell the **Property** whether or not **we** have repossessed it.
- d) Vary the terms of, end, review or accept the renunciation of leases or tenancies over the **Property**.
- e) Allow any person who holds the lease to the **Property** to give up the lease on any reasonable terms.
- f) So far as the Acts permit, grant leases or tenancies of the **Property** on whatever terms **we** choose.
- g) Manage the **Property**, and do anything else arising as a result of managing the **Property** which **we** may or can do legally.
- h) Insure the **Property** for any amounts and against any risks and through any agency as **we** see fit.
- i) Sell any of the fixtures on their own or together with the **Property**.
- j) Remove, store, sell, save or otherwise get rid of any furniture or goods **you** fail to remove from the **Property**.
- k) Pay any **Interest** and **Expenses**.
- l) Take any action in **your** name or otherwise as may seem appropriate.
- m) Exercise all powers and authorities which **we** shall think fit to exercise. **You** agree that **we** may confer any powers and authorities which **we** could give if **we** were the actual beneficial owner of the **Property**.
- n) Exercise all other powers conferred on **us** as a heritable creditor under the Acts.
- o) Do anything else the law allows in connection with the **Property**.

32.5 Any money **we** receive from exercising **our** rights under condition 32.4 will be used as follows:

- a) to pay **our Expenses**;
 - b) to pay off the rest of any amounts **you** owe **us** (including the **Amount Owed** and **All Other Debt**).
- We** do not have to use the money **we** receive to pay off **Interest** before repaying the **Loan** or otherwise to pay off the **Amount Owed** or **All Other Debt** in any particular order.

32.6 If any of **your** belongings are removed, **you** must pay **us** in full for any reasonable costs reasonably incurred in removing, storing or selling them (including any claims other people make relating to removing or dealing with those items) when **we** ask **you**. If **we** sell anything, **we** would take those costs from the proceeds and pay **you** what is left but if the proceeds are insufficient to pay **our** costs, **you** must pay **us** the shortfall in full when **we** ask **you**.



32.7 If any of the **All Other Debt** (for example, debt **you** owe to **us** which is or was secured on another property) is immediately payable by **you**, even if **you** have paid off all the **Amount Owed**, we may do any of the things and exercise any of the rights referred to in condition 32.4.

32.8 If the **Property** has been mortgaged or secured in a way that gives someone else a first claim on it, or someone has an interest in it ahead of **our Mortgage Deed**, **we** have the right to buy out the other person's rights. **We** may do so at any time:

- a) after giving **you** notice to demand that **you** pay the debt; or
- b) as soon as any powers under the claim or interests have come into force.

You will be fully bound by any agreement **we** reach with the other person. **You** will have to pay back any money **we** have spent on buying out that other person's rights when **we** ask **you** for it.

32.9 **We** or **our** agent may at any time enter and inspect the **Property** and do any work which **we** think is necessary to put right any failure by **you** to keep to the **Agreement**. If **we** take any action under this condition, it does not mean that **we** have accepted the legal responsibilities as if **we** had repossessed the **Property**. Apart from in an emergency, **we** will give **you** at least seven days' notice of **our** intention to enter the **Property**.

33 Possession of the Property

If any event happens which gives **us** the right to demand that **you** immediately pay the **Amount Owed**, you undertake to vacate the **Property** and to give **us** possession of it after **we** have given **you** seven days' written notice requiring **you** to remove from the **Property** and **you** agree that **we** may apply for a court decree for **your** ejection from the **Property** in any Sheriff Court in the area in which the **Property** is situated at any time after the period of seven days specified in the notice.

34 Power of Attorney

34.1 For the purpose of securing **our** interest in the **Property**, **you** appoint **us** to be **your** attorney. The attorney will be legally entitled to act on **your** behalf and the attorney's acts will bind **you** as though **you** had done such acts **yourself**.

34.2 **You** agree to sign any document and do anything else which **we** reasonably request **you** to do in order to:

- a) perfect or improve any security created or intended to be created for the repayment of the **Amount Owed** by **you** and **All Other Debt**.
- b) help the exercise by **us** of any of **our** powers under the **Mortgage**.
- c) protect, manage or sell the **Property** or any other security for the repayment of the **Amount Owed** and **All Other Debt**.

34.3 Under the power of attorney **we** may execute any document or do anything which **you** are required to do under these **General Mortgage Conditions**.

34.4 **We** will not be liable for anything which is done under the power of attorney unless **we** have failed to use reasonable care in exercising the power.

34.5 The power of attorney that **you** give **us** in this condition cannot be cancelled while any of the **Amount Owed** and **All Other Debt** is still outstanding.

35 Shortfall

If the **Property** has been sold (whether after **we** have enforced some or all of **our** rights under conditions 32, 33 or 34 or otherwise) and the **Amount Owed** has not been paid off in full, the shortfall will become immediately repayable. **You** must pay the shortfall even if **we** have agreed to discharge the **Mortgage** over the **Property**. Any shortfall will bear interest at the **Interest Rate** and **we** may continue to charge **you** **Fees** and **Expenses** even after any court decree requiring **you** to pay the whole or any part of the **Amount Owed**. **Your** obligations under this condition will continue even after release or discharge of the **Mortgage**.



36 Monies held on your behalf under another Mortgage

If any of the events in condition 23 happen and

- a) **we** are holding any monies on **your** behalf pursuant to a power of sale in relation to another property owned by **you** or any one or more of **you** which is secured to **us**; and
- b) the monies so held by **us** exceed the amount required to discharge the debt relating to that security

we can (but are not obliged to) use those monies which **we** are holding on **your** behalf to repay the **Amount Owed**.

We can provide literature in large print, Braille and audio tape.
Please ask us for alternative literature if you need it.



This is the Schedule referred to in the foregoing General Mortgage Conditions August 2011 (Scotland) by Charter Court Financial Services Limited

In this Schedule references to "this Act" are references to the Conveyancing and Feudal Reform (Scotland) Act 1970.

THE STANDARD CONDITIONS

Maintenance and Repair

- 1 It shall be an obligation on the debtor:-
- (a) to maintain the security subjects in good and sufficient repair to the reasonable satisfaction of the creditor;
 - (b) to permit, after seven clear days notice in writing, the creditor or his agent to enter upon the security subjects at all reasonable times to examine the condition thereof;
 - (c) to make all necessary repairs and make good all defects in pursuance of his obligation under head (a) of this condition within such reasonable period as the creditor may require by notice in writing.

Completion of buildings etc. and prohibition of alterations etc.

- 2 It shall be an obligation on the debtor:-
- (a) to complete, as soon as may be practicable, any unfinished buildings and works forming part of the security subjects to the reasonable satisfaction of the creditor;
 - (b) not to demolish, alter or add to any buildings or works forming part of the security subjects, except in accordance with the terms of a prior written consent of the creditor and in compliance with any consent, licence or approval required by law;
 - (c) to exhibit to the creditor at his request evidence of that consent, licence or approval.

Observance of conditions in title, payment of duties, charges, etc., and general compliance with requirements of law relating to security subjects

- 3 It shall be an obligation on the debtor:-
- (a) to observe any condition or perform any obligation in respect of the security subjects lawfully binding on him in relation to the security subjects;
 - (b) to make due and punctual payment of any ground burden, teind, stipend, or standard charge, and any rates, taxes and other public burdens, and any other payments exigible in respect of the security subjects;
 - (c) to comply with any requirement imposed upon him in relation to the security subjects by virtue of any enactment.

Planning notices, etc.

- 4 It shall be an obligation on the debtor:-
- (a) where he has received any notice or order, issued or made by virtue of the Town and Country Planning (Scotland) Acts 1947 to 1969 or any amendment thereof, or any proposal so made for the making or issuing of any such notice or order, or any other notice or document affecting or likely to affect the security subjects, to give to the creditor, within fourteen days of the receipt of that notice, order or proposal, full particulars thereof;
 - (b) to take, as soon as practicable, all reasonable or necessary steps to comply with such a notice or order or, as the case may be, duly to object thereto;
 - (c) in the event of the creditor so requiring, to object or to join with the creditor in objecting to any such notice or order or in making representations against any proposal therefor.

Insurance

- 5 It shall be an obligation on the debtor:-
- (a) to insure the security subjects or, at the option of the creditor, to permit the creditor to insure the security subjects in the

names of the creditor and the debtor to the extent of the market value thereof against the risk of fire and such other risks as the creditor may reasonably require;

- (b) to deposit any policy of insurance effected by the debtor for the aforesaid purpose with the creditor;
- (c) to pay any premium due in respect of any such policy, and, where the creditor so requests, to exhibit a receipt therefor not later than the fourteenth day after the renewal date of the policy;
- (d) to intimate to the creditor, within fourteen days of the occurrence, any occurrence which may give rise to a claim under the policy, and to authorise the creditor to negotiate the settlement of the claim;
- (e) without prejudice to any obligation to the contrary enforceable against him, to comply with any reasonable requirement of the creditor as to the application of any sum received in respect of such a claim;
- (f) to refrain from any act or omission which would invalidate the policy.

Restriction on letting

- 6 It shall be an obligation on the debtor not to let, or agree to let, the security subjects, or any part thereof, without the prior consent in writing of the creditor, and "to let" in this condition includes to sub-let.

General power of creditor to perform obligations etc. on failure of debtor and power to charge debtor

- 7 (1) The creditor shall be entitled to perform any obligation imposed by the standard conditions on the debtor, which the debtor has failed to perform.
- (2) Where it is necessary for the performance of any obligation as aforesaid, the creditor may, after giving seven clear days notice in writing to the debtor, enter upon the security subjects at all reasonable times.
- (3) All expenses and charges (including any interest thereon), reasonably incurred by the creditor in the exercise of a right conferred by this condition, shall be recoverable from the debtor and shall be deemed to be secured by the security subjects under the standard security, and the rate of any such interest shall be the rate in force at the relevant time in respect of advances secured by the security, or, where no such rate is prescribed, shall be the bank rate in force at the relevant time.

Calling-up

- 8 The creditor shall be entitled, subject to the terms of the security and to any requirement of law, to call-up a standard security in the manner prescribed by section 19 of this Act.

Default

- 9 (1) The debtor shall be held to be in default in any of the following circumstances, that is to say:-
- (a) where a calling-up notice in respect of the security has been served and has not been complied with;
 - (b) where there has been a failure to comply with any other requirement arising out of the security;
 - (c) where the proprietor of the security subjects has become insolvent.
- (2) For the purposes of this condition, the proprietor shall be taken to be insolvent if—
- (a) he has become notour bankrupt, or he has executed a trust deed for behoof of, or has made a composition contract or arrangement with, his creditors;
 - (b) he has died and a judicial factor has been appointed under section F111A of the Judicial Factors (Scotland) Act 1889 to divide his insolvent estate among his creditors, or his estate falls to be administered in accordance with an order under section 421 of the Insolvency Act 1986;



(c) where the proprietor is a company, a winding-up order has been made with respect to it, or a resolution for voluntary winding-up (other than a members' voluntary winding-up) has been passed with respect to it, or a receiver or manager of its undertaking has been duly appointed, or possession has been taken, by or on behalf of the holders of any debentures secured by a floating charge, of any property of the company comprised in or subject to the charge.

Rights of creditor on default

10

- (1) Where the debtor is in default, the creditor may, without prejudice to his exercising any other remedy arising from the contract to which the standard security relates, exercise, in accordance with the provisions of Part II of this Act and of any other enactment applying to standard securities, such of the remedies specified in the following sub-paragraphs of this standard condition as he may consider appropriate.
- (2) He may proceed to sell the security subjects or any part thereof.
- (3) He may enter into possession of the security subjects and may receive or recover feu duties, ground annuals or, as the case may be, the rents of those subjects or any part thereof.
- (4) Where he has entered into possession as aforesaid, he may let the security subjects or any part thereof.
- (5) Where he has entered into possession as aforesaid there shall be transferred to him all the rights of the debtor in relation to the granting of leases or rights of occupancy over the security subjects and to the management and maintenance of those subjects.
- (6) He may effect all such repairs and may make good such defects as are necessary to maintain the security subjects in good and sufficient repair, and may effect such reconstruction, alteration and improvement on the subjects as would be expected of a prudent proprietor to maintain the market value of the subjects, and for the aforesaid purposes may enter on the subjects at all reasonable times.
- (7) He may apply to the court for a decree of foreclosure.

Exercise of right of redemption

11

- (1) The debtor shall be entitled to exercise his right (if any) to redeem the security on giving notice of his intention so to do, being a notice in writing (hereinafter referred to as a "notice of redemption").
- (2) Nothing in the provisions of this Act shall preclude a creditor from waiving the necessity for a notice of redemption, or from agreeing to a period of notice of less than that to which he is entitled.
- (3) (a) A notice of redemption may be delivered to the creditor or sent by registered post or recorded delivery to him at his last known address, and an acknowledgment signed by the creditor or his agent or a certificate of postage by the person giving the notice accompanied by the postal receipt shall be sufficient evidence of such notice having been given.
(b) If the address of the creditor is not known, or if the packet containing the notice of redemption is returned to the sender with intimation that it could not be delivered, a notice of redemption may be sent to the Extractor of the Court of Session and an acknowledgment of receipt by him shall be sufficient evidence of such notice having been given.
(c) A notice of redemption sent by post shall be held to have been given on the day next after the day of posting.
- (4) When a notice of redemption states that a specified amount will be repaid, and it is subsequently ascertained that the whole amount due to be repaid is more or less than the amount specified in the notice, the notice shall nevertheless be effective as a notice of repayment of the amount due as subsequently ascertained.
- (5) Where the debtor has exercised a right to redeem, and has made payment of the whole amount due, or has performed the whole obligations of the debtor under the contract to which the security relates, the creditor shall grant a discharge in



the terms prescribed in section 17 of this Act.

12 The debtor shall be personally liable to the creditor for the whole expenses of the preparation and execution of the standard security and any variation, restriction and discharge thereof and, where any of those deeds are recorded, the recording thereof, and all expenses reasonably incurred by the creditor in calling-up the security and realising or attempting to realise the security subjects, or any part thereof, and exercising any other powers conferred upon him by the security.

Interpretation

In this Schedule, where the debtor is not the proprietor of the security subjects, "debtor" means "proprietor", except

- (a) in standard conditions 9(1), 10(1) and 12, and
- (b) in standard condition 11, where "debtor" includes the proprietor.

