

Standard BTL Mortgage Conditions: 2012

These are the conditions which apply to your mortgage.
These conditions and the mortgage offer are important documents.
Please keep them safe.



This booklet contains the terms and conditions which apply to **your mortgage**.

These **conditions**:

- are legally binding on **you** and **a guarantor** if **you** have one;
- include the terms on which **you** must pay off **your mortgage**;
- explain to **you** what happens if **you** do not pay back the **mortgage** on the terms set out in these **conditions** and
- set out restrictions which apply to the **property**.

If **you** have any questions about these **conditions**, please contact **your** conveyancer.

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Words in bold

In these **conditions** unless the context otherwise requires, the following expressions have the following meanings:

The words

advance

The meaning

The amount shown as the mortgage loan in the **offer** which, subject to these **conditions**, is the amount which will be lent (and includes any further **advance we** make which is secured by the **mortgage**).

advance date

The date of **our** cheque or electronic transfer of the **advance** or part of the **advance**.

capital repayment mortgage

A **mortgage** (or part) where the **monthly payments** include capital and interest. The **offer** will state if the **mortgage** is on this basis.

conditions

These Standard BTL **Mortgage Conditions** 2012, which incorporate the **offer**.

debt

The balance of the **advance**, costs, charges, expenses and unpaid interest on **your** account for the **mortgage** now or subsequently due or owing from **you to us** whether actually or contingently whether as principal or surety and whether solely or jointly with any other person or in any manner whatsoever.

guarantee

The **guarantee** (if any) executed by a **guarantor** in **our** favour.

guarantor

Any person who has **guaranteed** payment to **us** of all or any part of the **debt** or the performance of all or any of **your** obligations under the **mortgage**.

interest only mortgage

A **mortgage** (or part) where the **monthly payments** are only of interest. The **offer** will state if the **mortgage** is on this basis.

interest rate

The rate of interest shown in the **offer** or the new rate of interest if **we** change it in accordance with the **mortgage**. There may be different rates of interest if there is more than one **advance** and references are to the relevant rate for the relevant **advance**.

LTV

The percentage the **debt** bears of the value of the **property** (as the latter is set out in the most recent **valuation**).

month

A calendar **month**.

monthly payment

The payment which **you** must make to **us** each **month** under the **mortgage** as shall be varied by **us** from time to time under the **mortgage**.

mortgage

The agreement between **you** and **us** which is set out in the **mortgage deed**, the **offer** and these **conditions**. This gives **us** security over **the property** in return for **us** giving **you** the **advance**.

mortgage deed

The document **you** sign giving **us** a charge over the **property**.

occupation leases

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

offer

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

original LTV

The percentage the **debt** bears of the value of the **property** when **we** make the **offer** as set out in the **offer**.

payment date

The day in each **month** specified as such by **us** for making the **monthly payment** as shall be varied by **us** from time to time under the **mortgage**.

For more information, please speak to your financial adviser or call our Customer Service Centre on

08000 30 40 60

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|------------------------------------|--|
| property | The property described in the mortgage or any part or parts of it together with all your estates, rights, title and other interests in such property and all buildings, structures, fixtures and fittings and the fixed plant and machinery and all fixed apparatus goods materials and equipment from time to time on or belonging to it. |
| rebuilding cost | The full cost of rebuilding the property to its original form (or as close to it as is reasonably possible), including site clearance, all professional fees and the cost of meeting all planning, local authority and other legal and regulatory requirements. |
| receiver | Any one or more receiver or receivers appointed by us under the mortgage or otherwise. |
| rents | Rents or other sums (other than the sums representing or on account of insurance premiums, service charges and the like) payable under any occupation lease (including without limitation any Value Added Tax payable on or in respect of the same) and all insurance moneys payable in respect of loss of rents. |
| repayment period | The term specified in the offer . This is the period which begins with the advance date and ends with the date when you should have repaid the whole or an agreed part of the debt . We may change the repayment period in accordance with these conditions . |
| valuation | Means a valuation of the property on our behalf by a valuer approved by us . |
| voluntary capital repayment | Means a payment other than a monthly payment made at a time when all payments due under the mortgage have been made. |
| we, us and our | The Mortgage Works (UK) plc and anyone who takes over any of our legal rights and/or duties under the mortgage . |
| you and your | The person or company named in the mortgage as the borrower and his, its or their successors in title and any person (other than a guarantor) who undertakes the obligations of the borrower. |
| year | A calendar year . |

Words importing the masculine gender shall include the feminine and neutral genders.

Words importing the singular shall include the plural and vice versa.

Where there are two or more persons included in the expression **you** or **your** obligations and **conditions** expressed as being by or affecting **you** shall be held to bind such persons jointly and severally so that each of **you** is fully liable to perform the obligations and be subject to the **mortgage** and references to **you** include each and/or every one of **you**.

Any reference to any law or regulation includes any change to or re-enactment of it and all statutory instruments order and regulations made under it.

The headings to each clause shall not affect the construction of these **conditions**. Reference to a clause is to a clause in these **conditions**.

The **offer** forms part of these **conditions**. If the **offer** and these **conditions** conflict the terms of the **offer** will apply save where stated to the contrary.

1. Your debt

- 1.1 **You** agree that the security created by the **mortgage deed** is **our** security not only for the **advance** but also for all the money that **you** now owe **us** or may owe **us** in the future on any account. For example, this could include:
- (a) the **debt**;
 - (b) any extra money **you** borrow from **us**;
 - (c) interest, costs and expenses; and
 - (d) any other item which **you** owe **us** under the **mortgage**.

The **mortgage** will not secure any money owed under an agreement regulated by the Consumer Credit Act 1974 unless stated to that effect in the agreement.

- 1.2 These amounts can be owed to **us** by:
- (a) **you** alone;
 - (b) **you** and another person;
 - (c) **you** as a **guarantor**;
 - (d) **you** actually or contingently; or
 - (e) **you** in any way whatsoever.
- 1.3 **You** agree to pay all of the amounts in 1.1 and 1.2 above in accordance with these **conditions** and in accordance with their terms.

2. Types of Mortgage

- 2.1 If **you** have a **capital repayment mortgage** the **monthly payments** will be calculated by **us** to include interest and capital so that the **advance** and all interest, costs, expenses and charges will be repaid over and by the end of the **repayment period**.
- 2.2 If you have an **interest only mortgage** the **monthly payments** will be of interest only. **You** will be liable to repay the **advance** (and any other interest, costs, expenses and charges outstanding) at the end of the **repayment period** and interest and other costs, expenses and charges will continue to be charged under the **mortgage** until payment in full. It is **your** responsibility to ensure that the value of any savings or investment policy or plan **you** are relying on to do this will be sufficient to repay the **debt** in full at the end of the **repayment period**. **We** cannot accept responsibility for any savings or investment policy or plan **you** choose. If the policy or plan does not provide enough to repay the whole of the **debt** at the end of the **repayment period**, **you** will still be responsible for paying what **you** owe.

- 2.3 If the **mortgage** is in part a **capital repayment mortgage** and in part an **interest only mortgage** then the relevant provisions will apply to the relevant parts.
- 2.4 If **you** have an **interest only mortgage** and (i) any of the events in condition 11.1 occur, or (ii) **you** are unable to repay the **debt** at the end of the **repayment period** or (iii) if **you** have not demonstrated that you made adequate arrangements (satisfactory to **us** as a prudent lender) to build up a sum of money with which to repay the **debt** at the end of the **repayment period**, **we** may, but are not obliged to, change this to a **capital repayment mortgage**.

3. Monthly payments

- 3.1 Subject to the rest of these **conditions** **you** agree to pay **us**:
- (a) the **monthly payment** each **month**;
 - (b) any extra amounts of money which **you** may owe **us** as set out in the **mortgage**; and
 - (c) the whole of the **debt** in full by the end of the **repayment period**.
- 3.2 **You** must make **monthly payments** on the **payment date** each **month** during the **repayment period** until **you** have repaid the **debt**.
- 3.3 Depending on the other **conditions**, **you** agree that if **you** have a **capital repayment mortgage** **we** can use the **monthly payments** **you** give **us** to repay any part of the **debt** however **we** reasonably decide is appropriate even if **you** have asked **us** to apply it against particular part of the **debt**.
- 3.4 If **you** cannot, or if **we** have agreed that **you** do not have to, make a **monthly payment**, **we** will still charge interest at the **interest rate** on the **debt** unless **we** expressly agree in writing not to.
- 3.5 **We** may set and vary **monthly payments** from time to time to reflect changes in:
- (a) the **interest rate**;
 - (b) the **debt**;
 - (c) the payment method;
 - (d) the **repayment period**;
 - (e) the **payment date**.
- You** will be notified of any change in **monthly payments** by notice under condition 21.1

4. Interest

- 4.1 The interest rate **we** will charge **you** will be the rate or rates **we** have told **you** in the **offer** or as varied under the **mortgage**.
- 4.2 The **advance** (or any instalment of it) will bear interest, beginning on the following dates:
- (a) where **we** release the money electronically by BACs, on the second day after the day the **advance** is released;
 - (b) where **we** release the money electronically by CHAPS, on the day the money is released;
 - (c) where **we** pay the money by cheque, on the second day after the date of the cheque.

Interest which accrues between that day until the **month-end** must be paid with the **monthly payment** due in the **month** following that day.

- 4.3 **We** calculate interest:
- (a) on the **debt** outstanding at each **month-end**; and
 - (b) whenever the **interest rate** changes; and
 - (c) when any amount is advanced to or becomes owing by **you**.

We calculate interest at the **interest rate**. Interest accrues each day and is payable in the **monthly payments**.

- 4.4 Interest will continue to be charged at the **interest rate** even if a court makes an order for possession or after **we** obtain judgment, or if **you** give us possession of the **property** or if the **property** is taken into possession, until the **property** is sold and the **debt** paid in full.
- 4.5 Any unpaid interest, fees and other debits will be added to the outstanding balance of the **debt** at the end of the **month** in which it accrued and interest will be charged upon the **debt** calculated in accordance with condition 4.3 above.
- 4.6 **You** agree to pay **us** interest, at the **interest rate**, on the amount of the **debt** from the **advance date**. If **we** keep back part of the **advance**, **we** will only charge interest on the amount **we** have actually lent **you** as well as any other parts of debt (such as fees or expenses) which are accruing interest or **your** accounts in accordance with these **conditions**.
- 4.7 If **you** do not pay **us** interest by the date it is due or when **we** charge **you** interest, **we** will add the unpaid interest to the **debt** so it becomes part of the **debt**. From that point

on **we** can charge **you** interest, at the **interest rate**, on the part of the **debt** which represents the unpaid interest.

- 4.8 Depending on the other **conditions** and providing there are no arrears, **you** agree that if **you** have a repayment **mortgage**, or if **we** receive more than is necessary to pay the interest due, after the interest has been paid **we** can use the **monthly payments you** pay to **us** to repay any part of the **debt** as **we** reasonably choose even if **you** have not asked **us** to apply it against and/or part of the **debt**.
- 4.9 **We** can reduce the **interest rate** at any time. The **interest rate** will vary in accordance with the **offer**. Where the **offer** states that the **interest rate** is variable but does not track another rate (such as LIBOR or Bank of England Base Rate) then **we** will only increase the **interest rate** for one or more of the following reasons:
- (a) in accordance with the **offer**;
 - (b) to reflect changes in general interest rates, including the interest rates or terms on which similar products are offered by other providers of financial services;
 - (c) to reflect any changes or reasonably anticipated changes in the law, regulations or codes of practice or to respond to a decision by a court, ombudsman or regulator;
 - (d) to reflect changes to **our** costs, including administrative costs, costs involved in providing services or facilities or changes in the costs to **us** of borrowing funds or otherwise funding **our** loans;
 - (e) to reflect a change in the way the **property** is used or occupied;
 - (f) to reflect a change in the credit risk relating to the **mortgage** or to **our** loans generally.

5. Additional security

- 5.1 As a continuing security for payment to **us** of the **debt you** charge to **us** with full title guarantee by way of **mortgage** the benefit of any interest **you** have to and in the **occupation leases** and the **rents** together with the benefit of any guarantees, suretyships, indemnities, rent deposits or other security (whether proprietary or by way of personal covenant and whether from a tenant or a third party) from time to time or in respect of any of the **occupation leases** providing that nothing in this condition shall constitute **us** as mortgagee in possession.

5.2 If **you** are a company, as a continuing security for payment to **us** of the **debt**, **you** as legal owner with full title guarantee charge in favour of **us** by way of floating charge all **your** undertaking and all the property and assets both present and future, other than any property from time to time or for the time being effectively charged or assigned to **us** by **conditions** 2.3 and 2.7 of the **mortgage deed** or otherwise subject to a fixed charge in favour of **us**.

6. Discharge of security

6.1 Upon payment by **you** to **us** of the **debt** and any other amounts secured by the **mortgage** in full, **we** will at **your** request and cost duly discharge the **mortgage** and release the property charged by it. The **mortgage** will be security for all the money that **you** owe or will owe **us** on any account. **We** will not release any **property we** are holding as security until **you** have paid **us** all the money **you** owe. As a result, section 93 of the Law of Property Act 1925 will not apply to the **mortgage**. **We** will have the same right of consolidating the **mortgage** and the **debt** with any mortgage, charge or right to hold charge over the **property**, as if the section had not been passed.

7. Your covenants

7.1 **You** will at all times during the continuance of the security created by the **mortgage**:

- (a) put and keep the **property** in good and substantial repair and condition and free from defects;
- (b) not make or permit or suffer to be made any alteration or addition to the **property** (whether by way of alteration or addition to any building or structure now or hereafter upon the **property** or by the erection of any new building or structure or otherwise) nor make or permit to suffer or be made any application for planning permission or change in the use of the **property** or any part of it;
- (c) not apply for an improvement grant or grants in respect of the **property**;
- (d) observe and perform and comply with regulations and all laws, orders, directions and all other statutory notices and requirements of any nature relating to or affecting the **property** or its use any other part or any business carried on at it;

- (e) upon receipt of any such notice, order, regulation, direction or requirement of the kind referred to in condition 7.1(d) which (or a copy of which) is served upon **you** or otherwise comes to **your** notice, deliver a copy to **us** and at **your** expense take such steps **we** reasonably require in objecting to or appealing against or otherwise challenging any order or proposal affecting the **property**;
- (f) not occupy the **property yourself** nor grant any leases or licences or accept a surrender or agree to accept a surrender of any leases or licences of the **property** nor agree any variations to or any rent reviews pursuant to any such leases or licences except that **you** can grant an assured shorthold tenancy or tenancies or other tenancy in accordance with condition 31;
- (g) comply with **your** obligations as landlord, and not grant any licence or consent to a tenant without **our** previous consent in writing on the understanding that if under the terms of the lease express, or implied the licence or **your** consent is not to be unreasonably withheld, such consent on **our** part shall not be unreasonably withheld;
- (h) unless permitted by condition 7.1(f) not part with possession or occupation of the **property** or share such possession or occupation;
- (i) where the **property** is leasehold, pay the rent reserved by the lease, duly and punctually and in the same manner observe and perform all the covenants and conditions on the part of the tenant and not without **our** prior written consent (not to be unreasonably withheld or delayed) agree to any amendments of the lease under which the **property** is held;
- (j) not without **our** previous written consent convey assign, transfer, mortgage or otherwise dispose of the **property** nor agree to do any of the foregoing acts and **you** will apply to HM Chief Land Registrar in the **mortgage deed** for entry of the following restriction in the Proprietorship Register of the **property**: "No Disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of The Mortgage Works (UK) plc referred to in the Charges Register";

- (k) not without **our** prior consent (not to be unreasonably withheld or delayed) exercise any option, election or discretion to transfer the right to recover any value added tax nor to exercise any option or right to elect or discretion which now may or hereafter be available to it to levy value added tax on any supplies made by it including without limitation to impose or charge value added tax on the rental income or any sales proceeds.

8. Covenants in respect of your business

8.1 **You** will at all times:

- (a) conduct and carry on **your** business in a proper and efficient manner and keep or cause to be kept proper books of account relating to such business and when required produce the same to **us** and where **you** are a company keep the said books of account and all other documents relating to **your** company affairs at its place of business and punctually pay, as the same become due, all debts and liabilities which by law would have priority to all or any part of the security created by the **mortgage**;
- (b) punctually pay or cause to be paid all rents, rates, taxes, duties, assessments and other outgoings payable in respect of **your** business, its property and assets and, when required, produce to **us** the receipts for such payments;
- (c) comply with all requirements as to filing returns and audited accounts and other notices or documents which are required to be filed at Companies House and, at the same time as filing the same at Companies House, supply copies of them to **us**;
- (d) where **you** are a company **you** will notify **us** and obtain **our** approval (not to be unreasonably withheld or delayed) of any proposed change in the directors of the company or shareholding in excess of 5% of the issued share of the company and if so requested by **us** procure a **guarantee** of any new director(s) approved by **us**;
- (e) where **you** are a company **you** will not while the **debt** is outstanding repay any directors' loans made to **you** without **our** prior written consent.

9. Property

Insurance obligations

- 9.1 **You** must arrange insurance of the **property** and keep it insured at **your** own expense for its full **rebuilding cost** and **we** may approve the insurer, risk and terms of this insurance. The insurance must be in the joint names of **you** and the Nationwide Building Society Group (and its assignees) or the interest of the Nationwide Building Society Group (and its assignees) should be noted under the policy (whether or not **you** arrange the insurance through **us**).
- 9.2 If the **property** is leasehold and the lease says that the landlord insures or the tenant insures with a specific insurance company, **we** will accept this as long as **you** agree to:
 - (a) make sure that the landlord complies with insurance provisions in the lease;
 - (b) make certain that the insurance is on the same terms as set out in condition 9.1; andmake certain that the interests of the Nationwide Building Society Group (and its assignees) are endorsed on the insurance **policy**. If **you** are not allowed to make this endorsement, **you** must inform the insurance company about **our** interest.
- 9.3 If **you** fail to so insure the **property** or procure the landlord does so **we** may but shall not be obliged to do so. **We** may add the cost of obtaining such insurance to the **debt** and interest will be charged on this amount.
- 9.4 In the event of an insurance claim being made in respect of the **property** **we** reserve the right to approve the terms of any settlement **you** reach with the insurer. Subject to the provision of any lease or other title document under which **you** hold an interest in the **property**, the settlement money shall be used as **you** may decide either to reinstate the **property** or in towards payment of the **debt** in full. If **you** decide to use the money to reinstate the **property** **we** can keep the money whilst the repairs or rebuilding are being carried out and only release the money by stage payments as the repairs or rebuilding progress. If the money is not sufficient to pay for the repairs or rebuilding in full **we** shall not be obliged to lend any more funds. If **you** use the money to pay off the **debt** and there is a surplus after the **debt** and any other amounts secured by the **mortgage** has been paid, **we** may forward the surplus to a second charge of whom **we** are aware or to any other person entitled to receive

it. If the money is not sufficient to pay the **debt** in full **we** may take action to recover the shortfall. Any money paid directly to **you** by the insurers will be held on trust for **us** and promptly paid to **us** upon **our** request.

10. Compliance with property covenants

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

- (a) to view the state and condition of the **property** and verify the performance by **you** of **your** obligations under the **mortgage**;
- (b) to execute any works and do anything to ensure compliance with any obligation under the **mortgage** if **you** have not done so; and
- (c) to comply with any legal requirement, order, direction, requisition, permission, notice or other matter and to do all acts and things **we** reasonably require to comply if **you** have not done so.

11. Acceleration

11.1 On any of the following events the security constituted by the **mortgage** shall become immediately enforceable without further notice to **you**. **We** shall cease to be under any further commitment to **you** to make any **advance** and the **debt** shall immediately become due and payable without the necessity on **our** part of making any demand for payment and the provisions of the **mortgage** regarding enforcement of the security shall apply:

- (a) **you** fail to make any **monthly payment** or any other payment which **you** should make under the **mortgage**, in each case when due or within a reasonable period of **us** requesting **you** to do so;
- (b) **you** are in breach of any of **your** other material covenants or obligations under the **mortgage** either when that obligation is due or within a reasonable period of **us** requesting **you** to do so;
- (c) where you fail to comply with any request for payment or additional security under condition 32.3 in accordance with provisions of that condition;
- (d) an encumbrancer takes possession or a **receiver** or similar officer is appointed in respect of the whole or any part of **your** assets and undertaking or those of any **guarantor**;

- (e) distress or execution or other process is levied or enforced upon or against any of **your** or any **guarantor's** property or assets;
- (f) the security constituted by any mortgage or charge (other than the **mortgage**) created by **you** or the **guarantor** shall become enforceable;
- (g) any indebtedness or obligation of **you** or any **guarantor** for borrowed money (other than the **debt**) shall become due and payable prior to the stated date for maturity;
- (h) any statement, representation or warranty made by or on behalf of **you** or any **guarantor** proves to be incorrect or inaccurate;
- (i) it becomes unlawful for **you** or any **guarantor** or **us** to perform obligations under the **mortgage** or **guarantee** either in whole or in part;
- (j) if you occupy the **property** yourself or if (without **our** prior written consent) the **property** is vacant or remains unoccupied for a period of 30 days or more;
- (k) any event happens which as been agreed or in the future is agreed in writing between **you** and **us** whether and in the terms of an **offer** or otherwise as an event of default upon the happening of which the security constituted by the **mortgage** and/ or any other security for all the **debt** shall become enforceable;
- (l) any circumstances arise which give grounds, in **our** reasonable opinion, for the belief that either **you** or the **guarantor** may not (or may be unable to) perform or comply with their obligations under the **mortgage** or a **guarantee**;
 - in addition, but only where **you** and/or the **guarantor** is an individual or individuals (as opposed to a company);
- (m) if **you** or any **guarantor** applies to the Court for an Interim Order under Part VIII of the Insolvency Act 1986 or calls or a nominee calls a meeting of creditors or any of them for the purposes of considering any arrangement, scheme, compromise, moratorium or composition with creditors or any of them or enters into any such arrangement scheme, compromise, moratorium or composition or presents or has presented against him a petition for a Bankruptcy Order under the Insolvency Act 1986 or is otherwise declared bankrupt in the United Kingdom or elsewhere;

- in addition, where **you** and/or any **guarantor** is a company (as opposed to an individual or individuals);
- (n) **you** or any **guarantor** has a petition for an Administration Order presented against it or resolves in General Meeting to present a petition for an Administration Order or **your** directors or any **guarantor's** directors resolve to present a petition for an Administration Order;
- (o) **you** or any **guarantor** calls a meeting of creditors or any class of them or makes an application to the Court under section 425 of the Companies Act 1985 as amended by the Insolvency Act 1986 or calls or any nominee calls a meeting of **your** or any **guarantor's** creditors or any class of them for the purpose of submitting to them a proposal pursuant to Part I of the Insolvency Act 1986 or enters into any arrangement, scheme, compromise, moratorium or composition with creditors or any of them or suffers any distress or execution to be levied on the **property** or any of **your** other assets or any **guarantor's** assets in the United Kingdom or elsewhere;
- (p) **you** or any **guarantor** calls a meeting of members or creditors for the purpose of considering a resolution that **you** or any **guarantor** be wound up voluntarily (other than a members voluntary winding up for the purpose of a reconstruction or amalgamation which has received **our** previous written consent) or **you** or any **guarantor** have a winding-up petition presented against **you** or it or is wound up voluntarily or compulsory in the United Kingdom or elsewhere;
- (q) any change is made in the legal or beneficial ownership of all or any of **your** or any **guarantor's** shares or there is any change of control of **you** or any **guarantor** without **our** previous written approval.
- in addition where appropriate any event referred to in this clause shall be deemed to also refer to a similar event in accordance with the laws of any other jurisdiction.

12. Power of sale

- 12.1 Section 103 of the Law of Property Act 1925 shall not apply to the **mortgage** and the security constituted by the **mortgage** shall become immediately enforceable and the power of sale and other powers conferred on mortgagees

by the Law of Property Act 1925 as varied or extended by the **mortgage** shall become immediately exercisable at anytime after the **debt**, the other moneys secured by the **mortgage** or any part of this becomes due and remains unpaid without the restrictions contained in that Act as to the giving of notice or otherwise.

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

13. Early repayment

- 13.1 If **you** repay the whole or part of the **debt** before the end of the agreed **repayment period** or if the **debt** becomes due and payable under condition 11, an early repayment charge may apply. This will be set out in the **offer**.

14. Receivers

- 14.1 At any time after having been requested so to do by **you** or after the occurrence of any of the events specified in condition 11, **we** may appoint one or more persons to be a **receiver** (which expression includes in the case of a company borrower an administrative receiver) or **receivers** of the whole or any part of the **property**.
- 14.2 **We** may (a) remove any **receiver** previously appointed under the **mortgage** and (b) appoint another person or other persons as **receiver** or **receivers** either in the place of a **receiver** so removed or who has otherwise ceased to act or to act jointly with a **receiver** or **receivers** previously appointed under the **mortgage** (but with the powers to act separately set out in condition 14.3).
- 14.3 If at any time and by virtue of any such appointment(s) any two or more person shall hold office as **receivers** of the same assets or income each one or such **receivers** shall be entitled (unless the contrary shall be stated in any of the deed(s) or other instrument(s) appointing them) to exercise all the powers and discretions hereby conferred

on **receivers** and execute any documents individually or together.

14.4 Every such appointment or removal and every delegation appointment or removal by **us** in the exercise of any right to delegate powers or to remove delegates contained in these **conditions** may be made either by deed or by instrument in writing under the hand of any of **our** officers or any person authorised in writing in that behalf by any such officer.

14.5 Every **receiver** for the time being holding office by virtue of an appointment made by **us** shall (subject to any limitations or restrictions expressed in the deed to other instrument appointing him but if **you** are a company notwithstanding that **you** may have been wound up or an administration order or voluntary arrangement has been made against **you** or **you** are dissolved) have in relation to the **property** or as the case may be that part of the **property** in respect of which he is appointed:

- (a) all the powers (as varied and extended by the provisions of these **conditions**) conferred by the Insolvency Act 1986 and the Law of Property Act 1925 and on mortgagors and mortgagees in possession, Administrators Receivers and Administrative Receivers appointed under those Acts or on **us** under the **mortgage** and;
- (b) power in the name or on behalf and at **your** cost to exercise all the powers and rights of an absolute owner and do or omit to do anything which **you** could do **yourself** as an absolute owner and irrespective of any such winding up, administration, voluntary arrangement.

14.6 In addition and without limiting the general powers or rights every **receiver** for the time being holding office by virtue of an appointment made by **us** shall (notwithstanding that **you** may have been wound up or an administrative order or voluntary arrangement has been made against **you** or **you** have been dissolved) have the following powers:

- (a) power to carry on and manage or concur in the carrying on and management of the whole or any part of **your** business as if he were the absolute beneficial owner thereof including the power where **you** are a company and have one or more subsidiaries of supervising controlling and financing such subsidiary or subsidiaries and its or their business or businesses and the conduct thereof;

- (b) where **you** are a company power to promote or otherwise acquire the share capital of any body corporate with a view to such body corporate becoming **your** subsidiary and purchasing, leasing, or otherwise acquiring an interest in the whole or any part of the **property** or carrying on any business in succession to **you** or any of **your** subsidiaries;
- (c) power to take possession of collect and get in the **property** and where **you** are a company for that purpose to make or to require **your** directors to make calls upon the holders of **your** share capital in respect of any such capital which remains uncalled and to enforce payment of calls so made and any previous unpaid calls by taking proceedings in **your** name;
- (d) power to demolish, alter, improve, develop, complete, construct, modify, refurbish the whole or any part of the **property** and the fixtures and fitting on it to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which **you** were concerned or interested in prior to his appointment, being a project for the demolition, alteration, improvement, development, completion, construction, modification, rebuilding or reinstatement, refurbishment, or repair of the **property** (or any part of it) and the fixtures and fittings thereon;
- (e) power to repair, maintain, redecorate, fit out and furnish the **property** or any part thereof and all of the fixtures and fittings on it;
- (f) power to provide all services (including without limitation heating lighting and cleansing) which may be deemed expedient in relation to the occupation or management of the **property**;
- (g) power to enter into perform repudiate rescind, vary, modify, assign, sub-let or novate any contract or agreement, option agreement, agreement for lease, building contract, or professional appointment or otherwise for or which relates in any way to the **property** or any part of it or any fixtures or fittings thereon and to appoint, hire and employ and to remunerate such contractors, advisers, professionals, agents, servants, attendants, managers, officers, workmen and others upon such terms and at such salaries fees or remuneration and generally in such manner as he shall think fit and to discharge such persons;

- (h) without the need to observe the restrictions imposed by Section 103 of the Law of Property Act 1925 or any need to observe all or any of the restrictions or other provisions of Section 99 of such Act to sell or transfer or concur in selling or transferring, lease or concur in leasing, accept or concur in accepting surrenders of leases, terminate or concur in terminating leases, surrender or concur in surrendering leases, grant or concur in granting licences, terminate or concur in terminating licences in each case, of the **property** in respect of which the **receiver** is appointed in such manner and generally on such terms and conditions as he thinks fit, and to carry any such sale, transfer, leasing, termination, surrender or licensing into effect by conveying, assigning, leasing, accepting, surrenders, terminating, surrendering or licensing;
- (i) power to sever fixtures and fittings from the **property** and sell the same separately from the premises to which they are affixed or in which they are contained;
- (j) power to carry any sale, lease or other disposal of any land or buildings and other **property** and assets into effect by conveying, transferring assigning or leasing in **your** name and for that purpose to enter into covenants and other contractual obligations in the name of and so as to bind **you**;
- (k) power to acquire any interest in any real or personal property which he may consider necessary or desirable to acquire in order to maintain or enhance the value of the **property** or any part of it and to grant or surrender easements, covenants and licences and to make exchanges and to enter into any agreements for the revision of boundaries;
- (l) power to make any arrangement or compromise of claims as he shall think fit;
- (m) power to effect and renew any insurances which he shall deem expedient;
- (n) power to take or defend proceedings whether in **your** name or otherwise as the **receiver** may think fit including proceedings for **your** compulsory winding-up and proceedings for directions under Section 35(1) of the Insolvency Act 1986;
- (o) power to employ, engage and appoint such managers, contractors and other personal and professional advisers and consultants on such terms as he shall think fit including without limitation power to engage his own firm in the conduct of the receivership;
- (p) power to make such elections for value added tax purposes as the **receiver** shall in his absolute discretion think fit;
- (q) power to raise or borrow money from **us** or any other person to rank for payment in priority to the security constituted by or pursuant to the **mortgage** and with or without a mortgage or charge on the **property** or any part of it and generally on such terms and conditions as he may think fit and no person advancing any such moneys shall be concerned to enquire as to the propriety or purpose of the exercise of this power or to see to the application of any moneys so raised or borrowed;
- (r) power to apply and obtain planning permissions in respect of the **property** including without limiting the generality of the foregoing entering into any agreements in connection with the same; and
- (s) power to divide or convert the **property** into as many flats and/or maisonettes as he shall think fit and then to sell such flats and/or maisonettes individually or in any combination using any method for such sales as he shall think appropriate and without limiting them he shall have power:
 - (i) to grant leases and/or tenancies of the **property** and to grant renewals or accept surrenders of any leases or tenancies at or for such **rents** premiums and considerations and upon such terms and **conditions** including provisions for the review of rent and the granting of long leases at a premium with or without a ground rent reserved as he shall in his absolute discretion think fit;
 - (ii) to form a management company or companies for the management of the **property** and to grant shares in such company or companies and to transfer the freehold of the **property** to such company or companies on any terms which he considers appropriate.
- (t) power to do all such other things as may seem to the **receiver** to be incidental or conducive to any other power vested in him or to be conducive to the realisation of the security constituted by or pursuant to the **mortgage**.

- 14.7 Every **receiver** so appointed shall be deemed at all times and for all purposes to be **your** agent and **you** shall be solely responsible for his acts and defaults and for the payment of his remuneration.
- 14.8 Every **receiver** so appointed shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and **us** (or failing such agreement to be fixed by **us**) appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted in accordance with his current practice or the current practice of his firm and without being limited to the maximum rate specified in Section 109(6) of the Law of Property Act 1925.

15. Application of moneys

- 15.1 All money arising from the exercise of the powers of enforcement of the security constituted by or pursuant to the **mortgage** shall be applied, after the discharge all sums, obligations and liabilities having priority to them, in the following manner and order:
- (a) in or towards payment of all costs, charges and expenses of and incidental to the appointment of any **receiver** under the **mortgage** and his remuneration;
 - (b) in or towards payment of all such costs, charges, losses, expenses and other sums as are mentioned in condition 18;
 - (c) in or towards payment or discharge of the **debt**; and
 - (d) in payment of any surplus to **you** or any other person entitled thereto.
- 15.2 All moneys from time to time received by **us** from **you**, any **guarantor** or any person or persons or company liable to pay the same or from any **receiver** or otherwise on the realisation or enforcement of the security constituted by the **mortgage** may be applied by **us** either as a whole or in such proportion as **we** think fit to any account or item of account or any transaction to which the same may be applicable.

16. Our powers

- 16.1 Without prejudice to any other of **our** rights powers or remedies howsoever arising all or any part of the powers authorities or discretions conferred expressly or impliedly upon a **receiver** of the whole or any part of the **property** (whether arising under the **mortgage** or otherwise) may

be exercised by **us** in respect of the whole or any part of the **property** at any time after the occurrences of an event specified in condition 11.

- 16.2 If **we** or any **receiver** enter into possession of the whole or any part of the **property** **we** or the **receiver** may from time to time go out of possession.
- 16.3 Neither **we** nor any **receiver** appointed under the **mortgage** shall be liable as mortgagee or mortgagee in possession to account to **you** for anything except actual receipts by **us** or the **receiver**, or be liable for any loss or damage arising from any realisation of the **property**, or for any act or default or omission by **us** or the **receiver** in relation to the **property**, or any exercise or non-exercise by **us** or the **receiver** of any power authority or discretion conferred on **us** or the **receiver** in relation to the **property** unless such loss or damage shall be caused by **our** own fraud or negligence or the fraud or negligence of the **receiver**.

17. Power of attorney

- 17.1 **You** hereby irrevocably appoint the following:
- (a) **us**;
 - (b) each and every person to whom **we** shall from time to time have delegated the exercise of the power of attorney conferred by this clause; and
 - (c) any **receiver** appointed under the **mortgage** and for the time being holding office as such: jointly and also severally to be **your** attorney or attorneys and in **your** name and otherwise on **your** behalf and as **your** act and deed to sign, seal, execute, deliver, perfect and do all deeds instruments acts and things which may be required (or which **we** or any **receiver** appointed under the **mortgage** shall consider expedient or desirable) for carrying out any obligation imposed on **you** by or pursuant to this **mortgage** and generally for enabling **us** or the **receiver** to exercise the respective powers conferred on **us** or the **receiver** by or pursuant to this **mortgage** or by law and **we** and the **receiver** shall have full power to delegate the power conferred on them by this clause but no such delegation shall preclude the subsequent exercise of such power by **us** or the **receiver** or preclude **us** or the **receiver** from making a subsequent delegation to some other person any such delegation may be revoked by **us** or the **receiver** at any time.

- 17.2 **You** shall ratify and confirm all transactions entered into by **us** or such **receiver** or delegate of **ours** in the exercise or purported exercise of **our** or such **receiver's** respective powers and all transactions entered into documents executed and things done by **us** or such **receiver** or delegate by virtue of the power of attorney given by condition 17.1 and shall at **our** request from time to time or the request of any such person or **receiver** as is referred to in condition 16.1 enter into and duly execute such further power or powers of attorney (with the necessary amendments) in the form of this condition 17 as may be requested.
- 17.3 The power of attorney granted by this clause are regards **us**, **our** delegates and any such **receiver** (as **you** hereby acknowledge) are granted irrevocably and for value as part of the security constituted by the **mortgage** to secure proprietary interests of and the performance of obligations owed to the respective donees within the meaning of the Powers of Attorney Act 1971.

18. Costs and expenses

- 18.1 **You** must pay to **us** all reasonable costs and expenses that:
- (a) **we** can demonstrate have arisen reasonably;
 - (b) **we**, any person **we** appoint under condition 14, **our** conveyancers surveyors or agents have paid or agreed to pay; and
 - (c) have arisen in connection with the **property** or the **mortgage**.
- 18.2 These costs and expenses will also include the costs **we** have charged **you** for the administrative work of **our** staff dealing with, among other things:
- (a) arrears on **your** account;
 - (b) **your** requests for **our** approval either under these **conditions** or otherwise (whether or not **we** give **you our** approval);
 - (c) storing title deeds and documents;
 - (d) giving **you** copies of any deeds or documents or policies **we** keep for **you**;
 - (e) approving and executing deeds for any purpose including releasing any security.
- 18.3 We may make changes for **our** costs and expenses by reference to a tariff. We will send a copy of **our** tariff of charges to **you** with the **offer**. This tariff changes from time to time and **we** will send **you** the most recent copy free if **you** ask.
- 18.4 **We** can amend or introduce a charge for one or more of the following reasons:
- (a) to reflect in a proportionate manner any changes or reasonably anticipated charges in the law, regulations or codes of practice or to respond to a decision by a court, ombudsman or regulator;
 - (b) to reflect in a proportionate manner changes which **we** may make in any activity **we** carry out or the services **we** provide or to provide new services; or
 - (c) to reflect, in a proportionate manner; the costs which **we** reasonably incur in providing relevant services and carrying out relevant activities.
- 18.5 Before **we** change or introduce a charge for such a reason **we** will let **you** know under condition 21.
- 18.6 **You** must pay all costs and expenses **we** refer to in this condition 18 when **we** demand. Until **you** repay them **we** will add them to the **debt** plus any interest that accrues, at the **interest rate**, from the date when the costs and expenses arose until **you** repay them. Until **you** repay them they will be secured on the **property**. Although **we** will add the costs and expenses to the **debt** where they will accrue in interest from the date they are added, **you** will not incur extra interest if **you** pay **us** the costs as soon as they arise.

19. Removal of goods

- 19.1 This clause shall have effect only if **you** are not a company and shall apply to all moveable plant, machinery and other equipment, tools, furniture, vehicles, stock in trade, implements and other goods ("goods") now or from time to time placed on or used in or about the **property**.
- 19.2 At any time after having taken possession of the **property** or any part thereof **we** or any **receiver** appointed by **us** is hereby authorised as **your** agent to dispose of, remove, store, sell at such price as **we** shall deem reasonable or otherwise deal with the goods and may pending such disposal, removal, storage, sale or other dealing use the goods for a reasonable period of time and (without prejudice to the obligation to account for the proceeds of any sale of goods to **you**) **you** will reimburse **us** or any **receiver** against any liability arising from such disposal, removal, storage, sale or other dealing.
- 19.3 Nothing contained in this clause shall give **us** any right in respect of the goods or the proceeds from the sale of the goods which would constitute the **mortgage** as a bill of sale.

20. Protection of purchasers

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

21. Notices

21.1 Every notice, request, demand or other communication to or upon **you** shall be given or sent by letter and shall be deemed to have been given or made (and received) twenty-four hours after being posted first-class postage prepaid (unless delivered by hand at the address of the addressee in which case it shall be deemed to have been given or made (and received) at the time of delivery).

21.2 Every notice request demand or other communication to **us** shall be given or sent by letter to **us** (marked for the attention of the Chief Executive when no other reference is known) at Portman House, Richmond Hill, Bournemouth, BH2 6EP or at such other address as **we** may designate from time to time by notice to **you** and service shall take place upon actual receipt of such letter or letters.

22. Certificate conclusive

22.1 A statement of the total amount of the **debt** or as to any applicable rate of interest prepared and signed by one of **our** authorised officers will be taken as a correct statement unless there is an obvious mistake.

23. No waivers, remedies cumulative

23.1 No failure to exercise, nor any delay in exercising on **our** part any right or remedy under the **mortgage** or any other document will operate as a waiver of such right or remedy nor will any single or partial exercise of any right

or remedy preclude any other or further exercise of any other right or remedy. The rights and remedies provided in the **mortgage** are cumulative and not exclusive of any rights or remedies provided by law. In the event that any matter falls within the scope of more than one of the provisions of the **mortgage** nothing shall prevent **us** from enforcing against **you** the more (or most) stringent provision.

24. Set off, suspense account and severability

24.1 **You** authorise **us** to apply the credit balance to which **you** are entitled on any account with **us** or any other moneys due and payable by **us** to **you** in satisfaction of any sum due and payable from **you** to **us** under the **mortgage** or forming part of the **debt**.

24.2 All moneys received, recovered or realised by **us** under the **mortgage** may in **our** discretion be credited to any suspense account and may be held in such account so long as **we** may think fit pending their application in or towards discharging the **debt**.

24.3 No other provision of the **mortgage** nor the security constituted by the **mortgage** shall be discharged or affected by the total or partial invalidity, illegality of or defect in any of **our** rights.

25. Further assurance

25.1 **You** shall from time to time execute and do all such assurances acts and things as **we** may require for protecting the security over the **property** or for facilitating the realisation of the whole or any part of the **property** and the exercise of all powers authorities and discretion vested in **us** or a **receiver** and shall in particular execute all transfers conveyances assignments assurances or any other deeds agreements or documents in respect of the whole or any part of the **property** whether to a third party or to **us** or **our** nominees or otherwise and give all notices orders and directions **we** or a **receiver** may think expedient and for the purpose of this clause a certificate in writing by **us** or a **receiver** to the effect that any particular transfer conveyance assignment assurance or any other deed agreement or document required is reasonably required shall be conclusive evidence of such fact.

26. Further security

- 26.1 **You** shall at all times during the subsistence of the security constituted by the **mortgage**:
- (a) give notice of **your** desire to have an extended lease or replacement lease of the **property**;
 - (b) send a copy of such notice to **us**; and
 - (c) within one **month** of execution of any extended or replacement lease of the **property you** (irrespective of whether any of the above **conditions** have been complied with) will deposit that lease with **us**. In addition, if **we** require, **you** will at **your** expense execute a fresh charge by way of legal mortgage to **us** of all **your** estate in the **property** under and by virtue of that lease.
- 26.2 If **you** acquire any superior interest in the **property** or acquire an interest in any freehold or leasehold **property** adjoining or near to the **property you** will promptly inform **us** in writing and if **we** require **you** will at **your** own expense execute a fresh legal charge by way of legal **mortgage** in **our** favour of that superior interest or freehold or leasehold **property**. Every fresh legal charge shall contain similar provisions to those contained in the **mortgage**.

27. Governing law

- 27.1 The **mortgage** shall be governed by the law of England and **you** hereby agree to submit to the non-exclusive jurisdiction of the English Courts.

28. Disclosure and transfer

- 28.1 **We** may at any time assign and/or transfer to any person all or any part of **our** rights under or in respect of:
- (a) the **mortgage** and/or the **debt**; and
 - (b) any other security (including without prejudice to the generality of the foregoing or any **guarantee**) in **our** favour.
- 28.2 The **debt** at the date of the assignment or transfer shall be all moneys then owing and shall bear interest from the date of the assignment or transfer at a rate per annum equal to the rate payable under the **mortgage** immediately before such arrangement or transfer until the **interest rate** is changed.
- 28.3 Any assignee and/or transferee shall in all respects be substituted for **us** and shall be entitled to exercise all

of **our** rights and powers in any security to assigned or transferred including, without limitation, the power to vary the **interest rate** or apply costs and expenses with reference to its own circumstances (including without limitation its own costs).

- 28.4 **You** and if appropriate any **guarantor** hereby authorise **us** to disclose to any person (and their advisers) to whom **we** dispose or contemplate disposing of any part of **our** interest in the **mortgage** or in the **debt** or any security including the **guarantee** or other obligations secured by the **mortgage** such information concerning **you** or the **mortgage** or the **debt** or the **guarantor** and such other obligations as **we** reasonably think fit.

29. Unfinished work

- 29.1 If after **you** have received part of the **advance you** leave any building which forms part of the **property** unfinished, **we** may:
- (a) sell the **property** as it is; or
 - (b) complete the building at **your** cost;
 - (c) **we** can demand that **you** pay all costs and expenses arising from this and **we** will add any **you** do not pay to the **debt** which will then be secured on the **property**. Interest will be charged on them from the date **we** made the payments until **we** are repaid.

30. Mistakes and miscalculations

- 30.1 Any statement or information concerning the **debt** that **we** supply to **you** before or after the discharge of the **mortgage** will not prejudice **our** security if it contains errors or omissions.
- 30.2 Any discharge **we** execute in respect of the **mortgage** will not discharge **you** from liability if **we** subsequently find that on repayment **we** under-calculated or understated by mistake the amount of the **debt**.
- 30.3 Unless **you** were party to or knew or should have known of the mistake, **we** will not rely on condition 30.2 unless **we** tell **you** in writing within 90 days of the date **we** execute the discharge.
- 30.4 **We** will not seek to recover money from **you** where **you** are legally entitled to keep it.

31. Terms of Lettings

31.1 **You** must obtain **our** approval to any tenancy, letting or sharing of possession to the **property**. Without limiting this duty on **you**, note that **we** require any such tenancy, letting or sharing of possession to be on the following terms:

- (a) Any tenancy of the **property** created before 1 March 1997 must be a single Assured Shorthold Tenancy as defined in the Housing Act 1988 and be for a term of not less than six months. **Your** solicitors must satisfy themselves that valid notices were served under Section 20 of the Housing Act 1988 before the tenancy was created, and have sight of a copy of the tenancy agreement.
- (b) Any tenancy created after 28 February 1997 must in all respects comply with the Housing Act 1996 as an Assured Shorthold Tenancy.
- (c) **You** must produce evidence to **your** solicitor, before buying the **property**, that all provisions of Part 1 of the Landlord and Tenant Act 1987 and the Housing Act 1996 have been complied with by the seller or **you** as appropriate.
- (d) The letting must only allow the **property** to be used as a private dwelling for occupation of the tenant and the tenant's immediate family for residential purposes.
- (e) The letting must not confer any security of tenure on the tenant(s) beyond the end of the contractual term of the tenancy agreement.
- (f) The letting must not be for more than 12 months.
- (g) Any tenancy agreement must (i) be in the form normally used for residential agreements; and (ii) contain no terms which can adversely affect **our** interest in the **property** under the **mortgage**.
- (h) The tenancy agreement must provide that no sub-letting is allowed.
- (i) The tenancy agreement must not contain an option allowing the tenant to renew the lease upon expiry.
- (j) Any deposit must be held by a body approved by the Government pursuant to the requirements of the Housing Act 2004.
- (k) References about ability to pay the rent and character must be obtained for the proposed tenant(s) and must be made available to **us** when **we** ask for them.

- (l) If the **property** is leasehold you must obtain the consent of the landlord to any letting if required by the terms of the lease of the **property** and comply with any other relevant lease conditions.
- (m) The tenancy must allow **you** and **us** to get vacant possession at the end of the term of the tenancy.
- (n) If there is more than one tenant, **you** must get all tenants to sign one tenancy agreement so that each of the tenants is responsible for all of the rent and carrying out all of the obligations.
- (o) **You** must tell the insurers about the tenancy if **your** insurance requires this.
- (p) **You** must get **your** landlord's permission if **your property** is leasehold and **your** lease requires this.
- (q) **You** must make sure that you keep to any regulations and obtain any necessary licenses, which may apply to letting properties.
- (r) **You** must not change the terms of the tenancy without **us** agreeing in writing.

If the **property** has a tenant when **you** buy it, the existing tenancy must also keep to these guidelines.

31.2 Without limiting **your** duty to obtain **our** consent under condition 31.1, note that the following are unacceptable as tenants for the **property**:

- (a) multiple tenancies (excluding houses in multiple occupation);
- (b) people who could claim diplomatic immunity;
- (c) holiday lets;
- (d) **your** family members (including for example your spouse, civil partner, parents, grandparents, siblings, children, grandchildren, children of your siblings or grandparents).

31.3 **You** must do whatever is legally necessary to ensure that your tenants carry out their obligations under the tenancy agreement and not waive or release or vary these without **us** agreeing in writing.

31.4 **You** must let **us** know if the **property** is unoccupied for 28 or more consecutive days.

31.5 If the **property** is subject to the selective licensing scheme laid down by Part 3 of the Housing Act 2004, **you** must have and maintain a satisfactory licence under the selective licensing scheme in relation to the **property**.

31.6 The criteria for tenancies or tenants **we** set down in this condition 31 can be varied by **us** at any time to reflect:

- (a) changes or reasonably anticipated changes in law, regulation and guidance;
- (b) changes we introduce to **our** standard policies acting as a reasonable and prudent lender.

32. Valuations, revaluations and LTV

32.1 Any **valuation** proposed in connection with the **mortgage** is:

- (a) for **our** benefit and may not be relied upon by **you**;
- (b) does not confirm or guarantee the **property** is worth the value given to it.

32.2 **We** reserve the right to obtain further **valuations** of the **property** at any time after the **advance date** for the purpose of calculating the **LTV**. Each further **valuation** will be at **your** expense (such cost to be charged in accordance with **our** then current fees for **valuations** unless **you** have paid for a **valuation** in the preceding 3 years, in which case it will be at **our** expense). **You** will ensure that any access to the **property** reasonably required by the valuer is given.

32.3 If at any time the **LTV** is greater than the **original LTV**, **we** can require **you** (i) to reduce the **debt** such as to ensure that the **LTV** is equal to or less than the **original LTV** or (ii) to provide **us** with alternative or additional security acceptable to **us** (at **our** discretion) which would, when aggregated with the value of the **property**, ensure the **LTV** is equal to or less than the **original LTV**, or any combination of (i) and (ii). When **we** make such a request **you** will comply with it and make such payment and/or deliver such acceptable alternative security as applicable within 30 days of request.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

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Please note that for our mutual protection and to improve service standards, we may monitor and/or record telephone calls.