

Zephyr Homeloans

2017 Buy to let mortgage and loan terms and conditions

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Zephyr Homeloans 2017 Buy to Let Mortgage and Loan Terms and Conditions

This booklet contains the terms and conditions which apply to your Loan with Topaz Finance Limited trading as Zephyr Homeloans (referred to as 'Zephyr Homeloans' throughout these Terms). **Please read this booklet and the accompanying documents carefully and make sure you understand them before taking out a mortgage with Zephyr Homeloans, as your property may be repossessed and/or we may appoint a receiver in respect of the property if you do not keep up repayments on your mortgage.**

If you have any questions about your mortgage and how it operates including about your obligations please speak to your solicitor.

This booklet is split into three parts:

Part 1 (loan terms) This, along with the Offer, sets out the terms applicable to the money that we have lent to you, including how it will be repaid, how we will charge you interest, when you may have to pay our charges and how and when we can change interest rates and charges.

Part 2 (mortgage terms) This sets out the terms applicable to the security we have taken over your Property, including your obligations in relation to looking after the Property and what we or any receiver may do with the Property if you do not make the payments due and keep to your other obligations under these Terms and the Offer.

Part 3 (general terms) This sets out some general terms applicable to the relationship between you and us.

Below is a summary of some of the key terms in this booklet. It is a summary only.

Term	Summary
Action we may take	We (or any receiver we appoint) can take certain action in relation to the Property if you fail to meet your obligations. These actions are set out in Term 15 of your mortgage terms. They include repossessing your Property and selling it.
Charges	We will charge you if you ask us to provide services under the mortgage, or if we incur costs because you fail to comply with your obligations. Our current list of standard charges (our Tariff) is provided to you with these conditions and is available on our website at www.Zephyrhomeloans.co.uk . We can change these charges and introduce new charges. The reasons why we may do this are set out in Term 6 of your loan terms.
Early repayment	You can repay your Loan in full or in part at any time. You may have to pay an early repayment charge and other charges if you repay some or all of your Loan before the end of the term (otherwise than by making the monthly payments due where your Loan is made on the 'repayment' basis). The details of these charges are set out in Term 8 and your Offer.
Flexible Features	Your Loan may include a number of flexible features. Please refer to your Offer for details of which flexible features apply.
Immediate repayment	In certain circumstances the Outstanding Balance becomes repayable immediately (for example, if you fail to pay an amount equal to at least two monthly payments due on the Loan or if you commit a material breach of one of your other obligations). The full set of circumstances in which this applies are set out in Term 4.1 of your loan terms. Please make sure that you understand when the Outstanding Balance becomes repayable immediately because, if the money is not paid, we could take further action against you including, if necessary, asking the court to make an order allowing us to repossess and sell your Property and/or appointing a receiver to collect rent, manage the Property and sell the Property.

<p>Interest</p>	<p>We will charge you interest on the amount that you have borrowed at the Interest Rate. The Interest Rate may be a fixed rate, a tracker rate or a variable rate.</p> <p>If your Offer states that your Interest Rate will track an externally set rate, the Interest Rate you pay will vary in line with changes in the external rate.</p> <p>If your Offer states that your Interest Rate will track the Benchmark Rate, we will review the Benchmark Rate at three-month intervals in each year and apply any decrease or increase in the Benchmark Rate to your Interest Rate at the date on which the review takes place.</p> <p>If your Offer states that your Interest Rate will track an externally set rate other than the Benchmark Rate, the process for applying that rate will be set out in your Offer.</p> <p>The overall cost of your mortgage will increase if the external rate increases following our review of the rate and we will normally increase your monthly payments to recover the extra interest.</p> <p>It is important that you can afford to make your monthly payments if your Interest Rate increases.</p>
<p>More than one borrower</p>	<p>If you are borrowing with someone else each of you together and each of you individually are liable for the full amount owing under the Loan. This means that we can pursue the full amount owing against each of you individually.</p>
<p>Privacy Notice</p>	<p>As set out at Term 24, the Privacy Notice (a copy of which will be provided to you along with these Terms) sets out how we will use your personal data. Term 20, which applies where we are considering transferring our interest in the mortgage and the Outstanding Balance, includes further provisions which shall apply in those circumstances.</p>
<p>Monthly payments</p>	<p>It is important that you pay to us the monthly payments set out in your Offer (or any changed monthly payments which apply under these Terms) on time.</p> <p>If your Loan is made on the 'repayment' basis, your monthly payments will consist of repayments of Capital and interest.</p> <p>If your Loan is made on the 'interest only' basis, your monthly payments will only consist of interest and you will still have to repay all of the Capital at the end of the term.</p> <p>If your Loan is made partly on the 'repayment' basis and partly on the 'interest only' basis, your monthly payments will only consist of Capital and interest in relation to the element of your Loan which is made on the 'repayment basis'. Your monthly payments on the element of your Loan which is made on the 'interest only' basis will only consist of interest and you will still have to repay all of the Capital on the 'interest only' element of the Loan at the end of the term.</p> <p>If all or part of your Loan is made on the 'interest only' basis, it is very important that you make arrangements to repay the amount of Capital at the end of the term and regularly check to ensure that you will be in a position to do so. If you do not repay the Capital at the end of the term, we may take proceedings against you which could result in us repossessing and selling the Property or appointing a receiver.</p>
<p>Property obligations</p>	<p>Your Loan will be secured on the Property described in your Offer.</p> <p>It is important that the Property is kept in a good state of repair and condition. Term 10.1 of the mortgage terms sets out your obligations in relation to maintaining the Property, such as completing building work. You must also obtain our permission before you carry out certain actions in relation to the Property, such as altering or extending it.</p> <p>You must insure against the usual risks to a property (fire and flood for example) and for an amount that is sufficient to fully re-instate the Property if it is destroyed or damaged. If you fail to insure the Property we may do so and where we do this you will be responsible for repaying the premiums to us. (Special terms apply where the Property is leasehold or commonhold and someone else, such as a landlord, is responsible for insuring it: see Term 12.4 of the mortgage terms.)</p>
<p>Security</p>	<p>The security over your Property may be for more than the Outstanding Balance you owe under these Terms and each Offer. It will also be for any other money that you owe to us under any other agreement, or will owe to us in the future. If there are more than one of you (joint borrowers) then jointly owned property will also secure any debts owed to us by either one of you.</p>
<p>Transferring the loan and mortgage</p>	<p>We may transfer our interest in the Mortgage Documents to another person in accordance with Term 20 of the mortgage terms.</p>

Interpretation:

Certain words used in the booklet have a special meaning. These are set out below:

Benchmark Rate means either:

- a) the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for Pounds Sterling for a 3 month period; or
- b) if the London interbank offered rate for Pounds Sterling ceases at any time to be made available generally or, in our opinion, the rate otherwise obtainable under paragraph a) above does not reflect the true cost of funding in the wholesale money market for Pounds Sterling, such publicly-available benchmark interest rate in the United Kingdom for determining interest rates for Pounds Sterling for a 3 month period as we shall notify to you,

and, in each case, such rate (rounded to two decimal places) shall be determined as at the close of business on the Reference Date (or if no rate is available at that time on such date, such rate as may be obtainable as at the close of business on the first available working day prior to the applicable Reference Date and which is no more than 5 days before the applicable Reference Date).

If any such rate is below zero, the Benchmark Rate shall be deemed to be zero.

Capital means any money on which we can charge interest under these Terms, that is: (i) any part of a Loan which you have not repaid; (ii) any charges which we add to your Loan Balance under Term 5 of the loan terms; and (iii) any interest which you have not paid by the end of the calendar month in which it becomes due.

Change of Control means any person or group of persons acting in concert gains direct or indirect control of you (if you are a company) after the date of the mortgage.

Corporate Body means if you are a limited company.

Declaration means the written declaration you provided to us as part of the mortgage process.

Default means an Event of Default or any event or circumstance specified in Term 4.1 which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Mortgage Documents or any combination of any of the foregoing) be an Event of Default.

Event of Default means any event or circumstance specified in Term 4.1.

GAAP means generally accepted accounting principals in England and Wales.

Guarantee means any guarantee and indemnity granted in our favour by a Guarantor.

Guarantor means any person who issues a Guarantee or indemnity or otherwise gives assurance to us in respect of your liabilities to us under a Loan or mortgage and includes any person designated as such by both you and us in writing.

Interest Rate means the rate of interest shown in the Offer or, if we change it in accordance with these Terms or your Offer, the changed rate of interest.

Loan means any individual amount of money we have lent to you or may lend to you on the security of the Property, as set out in an Offer.

Loan Balance means all the money you owe us in respect of a Loan from time to time, including any unpaid interest or charges.

Material Adverse Effect means in our reasonable opinion a material adverse effect on:

- your business, operations, assets, condition or prospects;
- your ability to perform your material obligations under the Loan and mortgage set out in the Mortgage Documents or any other agreement between you and us; or
- the validity or enforceability of, or the effectiveness or ranking of any encumbrance granted or purported to be granted pursuant to a Mortgage Deed, our rights or remedies under the Mortgage Documents or any other agreement between you and us.

Material Shareholder means a holder of 25% or more of the share capital in a Corporate Body.

Mortgage Deed means the legal document with the heading "Mortgage Deed" executed by or on behalf of each of you. This gives us a legal charge over the Property in return for our lending money to you.

Mortgage Documents means all the documents detailing the Loan, mortgage, security granted to us and associated terms and charges being:

- (a) each Offer;
- (b) these Terms;
- (c) each Mortgage Deed;
- (d) the Declaration;
- (e) the Tariff; and
- (f) each Guarantee (if applicable).

Offer means any written offer of a Loan sent to you which results in a Loan being made to you.

Outstanding Balance means the whole amount you owe us from time to time under these Terms and each Offer (this will be the same as the Loan Balance or, if we have made two or more Loans to you, the total of each of the Loan Balances for the time being outstanding).

our, us, we and the **Lender** refer to Topaz Finance Limited trading as Zephyr Homeloans and includes our successors in title (at law or in equity) to the mortgage and anyone to which we (or an assignee) transfer or assign the Loan and/or mortgage to in accordance with the Terms.

Property means the property which is security for a Loan and is described in an Offer and where appropriate includes all or any part of that Property.

Quarter Day means the first (1st) of every March, June, September and December, when any change to the Interest Rate (where the rate tracks the Benchmark Rate) takes effect.

Reference Date means the date which is two business days prior to each Quarter Day.

Tariff means our Tariff of Mortgage Charges leaflet. The Tariff sets out the current amount of the standardised charges, which we may make under Term 5 of the loan terms. We may make changes to the charges set out in the Tariff and apply new charges; details of how and when we will do this are set out in Term 6 of the loan terms. You can obtain the latest version of our Tariff on our website at www.Zephyrhomeloans.co.uk.

Terms means all the terms and conditions set out in this booklet (as amended, supplemented or amended and restated from time to time).

Valuation Report means in respect of the Property a report and valuation of that Property prepared by a valuer, addressed to us and stating the value of the Property.

you and **your** refer to:

- (a) the Corporate Body named as the borrower in an Offer; or
- (b) the individual named as the borrower in an Offer,

and includes the personal representatives of any such person, anyone who takes over the legal rights and duties of any such individual or Corporate Body and if there is more than one person, all such persons together and each such person separately.

Part I – Loan Terms

1 Payments

- 1.1 You must repay the Loan to us with interest by the end of the term set out in the Offer (or any changed term which is later agreed between you and us in writing).
- 1.2 You must make the monthly payments set out in the Offer, as varied from time to time under Term 1.8 of the loan terms, until the Loan Balance is repaid in full. These payments will start in the second month after the Loan is advanced to you and will be due each month on the day of the month (but only including the 1st – 28th of the month) which you have requested or, if you have not made such a request, the date determined by us. Each payment will be made in arrear such that it pays off the interest accrued during the previous month. The interest which accrues in the month in which the Loan is advanced will be added to your first monthly payment.
- 1.3 Your monthly payments must be made by direct debit in pounds sterling from a UK based bank account held in your name.
- 1.4 If the Loan is made on the ‘repayment’ basis, you will have to make monthly payments that are made up of interest and Capital (excluding any arrears of monthly payments). Your payments will be calculated so that the Capital (excluding any arrears of monthly payments) is repaid with interest by the end of the term. If any monthly payments due under these Terms are in arrears, the monthly payment will not provide for the repayment of the arrears unless and until we specifically agree with you that we will capitalise some or all of your arrears. However, we will require you to pay interest on the arrears and this interest will be collected as part of your monthly payment from the next time we change your payment under Term 1.8 to the extent that it has, by that date, accrued.

- 1.5 If the Loan is made on the interest only basis, you will have to make monthly payments that are made up of interest only. You will need to repay the Capital in full by way of a lump sum payment at the end of the term. It is your responsibility to ensure you will be able to repay the Capital at the end of the term of an interest-only mortgage.
- 1.6 If the Loan is made partly on the 'repayment' basis and partly on the 'interest only' basis, you will have to make monthly payments that are made up of interest and Capital on the element of the Loan which is made on the 'repayment' basis and monthly payments that are made up of interest only on the element of the Loan which is made on the 'interest only' basis. Your payments on the element of the Loan which is made on the 'repayment' basis will be calculated so that the Capital (excluding any arrears of monthly payments) in respect of that portion of the Loan is repaid with interest by the end of the term. You will need to repay the Capital in full by way of a lump sum payment at the end of the term in relation to the element of the Loan which is made on the 'interest only' basis.
- 1.7 If you do not repay the Capital in full at the end of the term we can continue to apply interest to the Capital at the Interest Rate until it is repaid. We may also take proceedings against you which could result in us repossessing and selling the Property or exercising any of our other remedies under Term 15. Further details of the actions we may take if you do not repay the Capital in full at the end of the term are set out in Part 2 of these Terms.
- 1.8 In certain circumstances we may vary the monthly payment amount. We may do this (but are not obliged to) if:
- (a) there is a change in the Interest Rate;
 - (b) we add any charges to the Loan under Term 5.4 of the loan terms, (including any sums paid to your landlord under Term 16.3);
 - (c) a change to the term of any Loan or to the repayment type of any Loan is agreed between you and us in writing;
 - (d) we agree with you that any arrears of monthly payments shall be capitalised;
 - (e) you make a lump sum overpayment; or
 - (f) the change is required by any compulsory change in law or regulation.

We will act reasonably in exercising our right to vary the monthly payments in these circumstances and will notify you personally of the revised monthly payment. We will tell you not less than 3 working days in advance if your payment amount is changing and when the first amended payment is due.

In accordance with these Terms, we may also recalculate your monthly payment amount annually or bi-annually to ensure that you are paying the right amount. We will notify you of the revised monthly payment. We will tell you not less than 3 working days in advance if your payment amount is changing and when the first amended payment is due.

- 1.9 All amounts due to us under the Mortgage Documents shall be paid in full without any set-off, counterclaim, deduction or withholding (other than any deduction required by law).
- 1.10 We shall be entitled to refuse to accept any payment where we reasonably consider that its acceptance would cause us to be in breach of any legal obligations to which we are subject (for example, those relating to money laundering and financial crime).
- 1.11 Where you have more than one Loan with us and you do not specify which Loan a payment is in respect of, we shall be entitled to appropriate the payment towards any of your Loans as we, acting reasonably, shall determine.
- 1.12 If we or a receiver sell the Property you must still pay us any amount by which the sale proceeds fall short of the Outstanding Balance. If the shortfall is not paid immediately, we will continue to charge interest on it at the applicable Interest Rates until it is paid.

2 Interest

- 2.1 Each day from the date we advance the Loan we will calculate interest on the Capital at the Interest Rate. Any interest which remains unpaid at the end of the last day of the calendar month in which it accrued will be added to the Capital on the first day of the following month.
- 2.2 This means that if you do not make a monthly payment by the end of the calendar month in which it is due to be paid, you will be charged interest at the Interest Rate on the interest part of the missed payment in addition to interest on the Capital part of the missed payment.
- 2.3 On the first day of each month, we will provisionally enter in your Loan account the amount of the interest which we expect to charge during the month.
- 2.4 We shall be entitled to make changes to this clause 2 and to the way in which we calculate interest on your Loan provided that such changes do not increase the total amount of interest charged on the Loan. Before making any such changes, we shall provide you with reasonable notice together with details of the changes.

This amount will be equal to interest on the Loan Balance owing at the end of the preceding month charged at the Interest Rate for the number of days in the month. We will adjust this amount during the month as necessary to reflect:

- (a) any reduction in your Loan Balance which results from our receiving a monthly payment, overpayment or other sum for the credit or your Loan account;
- (b) any increase in your Loan Balance which results from our debiting a charge or other sum to your Loan account;
- (c) any change in the Interest Rate;
- (d) any change to the term of the Loan which is agreed between you and us in writing.

Any such adjustment will affect the interest which we have provisionally entered as chargeable for the number of days from and including the day on which the event causing the adjustment occurs until the last day of the month in which the event occurs.

3 Changing the Interest Rate

3.1 The Offer will set out the type of Interest Rate you have.

3.2 During any period in which your Interest Rate is stated to be fixed, we cannot vary the Interest Rate.

3.3 Where the Interest Rate is stated to track an externally set interest rate (such as the Benchmark Rate) we will review the externally set interest rate at three-month intervals. Following such each review, your Interest Rate may increase or decrease and, if so, by the same amount as the external rate as set out in the Offer.

3.4 Where your Interest Rate tracks the Benchmark Rate, any increase or decrease in your Interest Rate will be reflected in your monthly payment in the month following the relevant Quarter Day (at which the Benchmark Rate will take effect). It may be that any increase or decrease in your Interest Rate may not be reflected in your new monthly payment for the period between the new rate coming into force and the start of the month in which the changed monthly payment falls due. Terms 3.5 and 3.6 apply to interest in respect of any such period.

3.5 If the monthly payment is changed because the Benchmark Rate has increased, the monthly payment you made in the previous month will not be enough to pay off all the interest which accrued in that month and will lead to an increase in the amount on which interest is charged from the beginning of the following month.

3.6 If the monthly payment is changed because the Benchmark Rate has decreased, the monthly payment you made in the previous month will be more than the amount required to pay off all the interest which accrued in that month and the excess will be treated as an early repayment of capital.

3.7 We will give you personal notice in accordance with Term 21 of any increase in the Interest Rate either before or, in the case of a variable or tracker rate, as soon as possible after, the increase is to take effect.

3.8 If you do not agree to the increase in the Interest Rate, you are able to repay the Loan Balance in full. If you repay the Loan you may have to pay an early repayment charge and any other charges, which applies under the Offer or these Terms.

3.9 Where the Interest Rate is stated to track an externally set interest rate

- (a) if that rate falls below zero, that externally set interest rate shall be deemed to be zero; and
- (b) without prejudice to clause 3.9(a), if the Interest Rate falls below zero, the Interest Rate shall be deemed to be zero, and we shall not be required to pay interest to you.

4 When We Can Ask For Repayment

4.1 The Outstanding Balance shall be repayable immediately and in full:

if:

- (a) you have failed to make payment of an amount equal to two or more of your monthly payments on any Loan;
- (b) if the mortgage term ends;
- (c) if you materially or persistently fail to comply with any of your obligations (other than for the payment of money) to us in relation to any Loan set out in the Mortgage Documents or any other agreement between you and us;
- (d) if any confirmation or statement made by you in relation to any Loan set out in the Mortgage Documents or any other document delivered to us under or in connection with a Loan (including but not limited to your application form in respect of a Loan) is incorrect or misleading when made or deemed to be made;
- (e) if any:
 - (i) of your debts are or are capable of being declared prematurely due and payable due to the occurrence of an event of default (however described); or

- (ii) facility for your debts is withdrawn or cancelled due to the occurrence of an event of default (however described);
- (f) if you are unable or admit an inability to pay your debts or, by reason of actual or anticipated financial difficulties suspend payment of any of your debts or enter into negotiations with any of your creditors with a view to rescheduling your debts or entering into any composition or arrangement with your creditors generally or any class of creditors;
- (g) if you are a Corporate Body, you become unable to pay your debts or you are deemed to be unable to pay its debts within the meaning of section 123 Insolvency Act 1986;
- (h) if you are a Corporate Body any step is taken with a view to:
 - (i) the winding up, dissolution, administration, receivership or any analogous procedure in respect of you;
 - (ii) the appointment of a receiver, liquidator, provisional liquidator, administrator, administrative receiver or manager or other similar officer of you or your assets other than the presentation of a winding up petition which is frivolous and vexatious and is dismissed within 10 days or if earlier, prior to the date on which it is advertised; or
 - (iii) the rescheduling of your debts pursuant to a reorganisation, voluntary arrangement or otherwise;
- (i) if you are an individual, any step is taken with a view to the rescheduling of your debts pursuant to a reorganisation, voluntary arrangement or otherwise;
- (j) if you are an individual and you have a bankruptcy order made against you or we reasonably think that one is likely to be made;
- (k) if you are a Corporate Body, you are dissolved or struck off the register or the Registrar of Companies threatens to do so;
- (l) if any steps are taken to enforce any encumbrance over all or part of your assets;
- (m) if any distress, execution or similar process affects your assets and is not discharged within 10 days;
- (n) if it becomes unlawful for you to perform any of your obligations under the Mortgage Documents or any other document delivered to us under or in connection with a Loan;
- (o) if any encumbrance created or expressed to be created by a Mortgage Deed is not or ceases to be valid and effective;
- (p) if any of your obligations under the Mortgage Documents or any other document delivered to us under or in connection with a Loan ceases to be legal, valid, binding or enforceable;
- (q) if any Mortgage Document ceases to be in full force and effect or any security created under a Mortgage Deed ceases to be legal, valid, binding, enforceable or effective;
- (r) if you cease, or threaten to cease, to carry on all or a material part of your business or operations;
- (s) if you are a Corporate Body, a Change of Control occurs;
- (t) if the Property is at any time subject to an order under laws about planning, requiring any alteration or removal of the buildings, or the discontinuance of its use, and as a result the value of the Property will be significantly decreased;
- (u) the Property is compulsorily acquired (for example, a local authority forces you to sell the Property to them);
- (v) the Property has been abandoned;
- (w) the Property is damaged and in our reasonable opinion the value of our security is materially lowered;
- (x) you occupy the Property yourself;
- (y) if you are an individual, you die (or, where there is more than one of you, the last surviving one of you dies) or cease to have mental capacity to enter into valid contracts under English law;
- (z) if any circumstance occurs in respect of a Guarantor or procedure or step is taken in respect of a Guarantor analogous to those set out in Terms 4.1(e), 4.1(f), 4.1(i), 4.1(j), 4.1(l), 4.1(m) or 4.1(n);
- (aa) if it becomes unlawful for a Guarantor to perform its obligations under any Guarantee;
- (bb) if any obligations or obligations of a Guarantor under any Guarantee are not or cease to be legal, valid, binding or enforceable;
- (cc) if a Guarantor terminates, revokes, cancels or determines in whole or in part its liability or obligations under any Guarantee or evidences an intention to terminate, revoke, cancel or determine in whole or in part its liability or obligations under any Guarantee;

- (dd) if any event occurs or circumstances arise which have or are reasonably likely to have a Material Adverse Effect; or
- (ee) if you have failed to provide information required by us and such failure has caused us to be in breach of our regulatory and/or legal requirements (including, but not limited to, those relating to financial crime).

4.2 If you do not repay the Outstanding Balance when requested and we obtain a Court judgment against you for that amount or part of it, you will pay interest on the amount of that judgment at the rate set by the Court or, if none is set by the Court, at the Interest Rate.

4.3 You shall, on demand, indemnify us against any costs, loss or liability incurred by us as a result of the occurrence of any Event of Default.

5 Incurring Charges

5.1 You agree to pay us the charges we make to recover the costs and expenses we reasonably incur in connection with your mortgage. The charges we make may cover either or both of the costs and expenses we have to pay to third parties and the internal administrative expenses which we incur.

5.2 Where we are able to make a reasonable estimate of the costs and expenses we incur in typical cases, we may set out our standard charges in our Tariff or (where they arise in connection with the making of a new Loan) in the Offer. Where a charge appears in our Tariff, you will be liable to pay the charge (and it will be added to the Capital from the date when we do the work to which it relates. In other cases, we may recover our costs and expenses by charging you an amount equal to the costs and expenses we actually pay or incur in the particular case. In this event, you will be liable for the charge (and it will be added to the Capital from the date we incur it.

5.3 Examples of charges include (but are not limited to):

(a) **Operational costs:** Charges may be incurred when we:

- (i) supply or copy deeds or documents to you or anyone acting for you;
- (ii) discharge our security or release the Property or any related rights from our security;
- (iii) release any title deeds;
- (iv) process any request by you or anyone acting for you for any change in the terms of the Loan or the mortgage; or
- (v) give you or anyone authorised by you any assistance or information in connection with the Property, the Loan or the mortgage;

(b) **Legal costs:** Before the first Loan is made we will ask you to set up a mortgage over the Property. You will be responsible for paying the charges we make to cover the legal costs of any conveyancer who undertakes our legal work in relation to the mortgage. If, for any reason, you do not go ahead with the Loan and your solicitor or any solicitor we have instructed has done any work, you may still have costs to pay;

(c) **Costs to safeguard our security:** You must pay us the charges we make where we need to take action to safeguard our security or because you fail to fulfil an obligation you have under these Terms or the Offer. Examples of items covered by these charges include (but are not limited to):

- (i) any legal proceedings and costs relating to the mortgage (this applies whether or not you are a party to the proceedings);
- (ii) obtaining a valuation of the Property;
- (iii) exercising any of the rights or powers given to us by law or these Terms;
- (iv) recovering any of the Outstanding Balance;
- (v) insuring the Property or checking that any insurance of the Property which you have arranged is adequate for our purposes; and
- (vi) making any payment pursuant to Term 16.3(d).

(d) **Arrears Charges:** If you fail to make any payments due to us and your Loan account falls into arrears, we will charge you arrears administration fees. We may charge the fee from the first day of the month after the due date for payment. The amount of these fees will be set out in the Tariff. Arrears administration fees are calculated to cover our administrative costs in dealing with those arrears. Where arrears administration fees are charged, they will be added to the Capital immediately upon being charged. Legal costs may also be charged if we have to take further action.

5.4 We will charge interest on all charges at the Interest Rate from the date when it is added to the Capital (as stated in Terms 5.1 to 5.3) until it is repaid. If you wish to repay a charge, you may do so at any time. Any interest which accrues on a charge between the date it is added to Capital and the next change to your monthly payment amount shall also form part of Capital and must be repaid at the end of the term.

6 Changing Our Charges

6.1 We may change any of the standard charges listed in our Tariff at any time if it is reasonable to do so. If the change is not to your advantage (for example, if we increase a charge), we will only make the change to enable us to respond proportionately to a change in either or both of the following:

- (a) a change in the law, codes of practice or the way we are regulated; and
- (b) a change beyond our reasonable control in the costs to us of providing your Loan and the services and facilities we provide in connection with it (including changes in technology we use).

6.2 We may introduce new charges which are not in the Tariff at any time if it is reasonable to do so. If the change is not to your advantage (for example, if we introduce a new one), we will only make the change to enable us to respond proportionately to a change in either or both of the following:

- (a) a change in the law, codes of practice or the way we are regulated; and
- (b) a change beyond our reasonable control in the costs to us of providing your Loan and the services and facilities we provide in connection with it (including changes in technology we use).

6.3 Telling you about changes

If we make a change to the charges listed in our Tariff:

- (a) we will write to give you notice before the change takes effect if the change is to your disadvantage or where we introduce a new charge;
- (b) the new charge will be set out in the Tariff, a copy of which will be provided to you when changes are made; and
- (c) except where it is covered in our Tariff, we will tell you when you ask us to do something which incurs a charge before the charge is incurred.

7 Early Repayment Charges

7.1 Details of any early repayment charges which apply to your mortgage product will be set out in your Offer.

7.2 You may also have to pay an administration charge which applies to the early repayment of the Loan Balance and this will be set out in the Tariff.

8 Flexible Features

Any flexible features on your Loan will be shown in the Offer.

Part 2 – Mortgage Terms

9 Security

9.1 By entering into the Mortgage Deed you have given us security over the Property to protect us in case you do not keep to your obligations under these Terms, the Offer and any other document which sets out the agreement between us for any Loan. If we enforce the security, we need to take certain steps which are described in this Part 2. This Part 2 also describes your obligations in relation to the Property and the restrictions which apply to way you can deal with the Property whilst it forms part of our security.

9.2 The security over your Property may be for more than the Outstanding Balance you owe under these Terms and each Offer. It will also be for any other money that you owe to us under any other agreement, or will owe to us in the future. If there are more than one of you (joint borrowers) then jointly owned property will also secure any debts owed to us by either one of you.

9.3 Unless we agree otherwise with you, the security will not be released until all money you owe to us (whether due or not) under any agreement secured by the Mortgage Deed has been paid.

10 Dealing with the Property

10.1 There are certain actions that you must take, or must not take, in relation to the Property. You must and you must ensure any tenants of the Property:

- (a) keep the Property in a good condition at all times and carry out any necessary repairs;
- (b) comply with all promises and obligations which (now or in the future) are binding on you in respect of the Property or its use (for example, obligations under the title deeds or laws about planning);

- (c) ensure that any unfinished building or works on the Property are completed without delay and are carried out to the required standard;
- (d) if the Property is leasehold, comply with all of the tenants' obligations under the lease;
- (e) pay all existing and future rents, taxes, outgoing and rent charges affecting the Property;
- (f) send to us a copy of any notice or other document affecting the Property within 14 days of you receiving it from:
 - (i) a landlord (if the Property is leasehold);
 - (ii) a tenant of the Property;
 - (iii) a rent charge owner (if the Property is subject to a rent charge);
 - (iv) anyone claiming a legal right over the Property;
 - (v) any government department, local or other authority; and
 - (vi) a commonhold association (if the Property is commonhold).
- (g) allow us, our employees, or agents to enter the Property after giving you reasonable notice so that we may (at your cost):
 - (i) carry out a valuation of the Property;
 - (ii) inspect the state of repair and condition of the Property;
 - (iii) carry out or complete any work which is needed to put right any failure by you to comply with these Terms, and any action taken above shall not constitute us taking possession of the Property;
- (h) tell us before you apply to a local authority or other similar body for any loan or grant for the repair or improvement of the Property. This is because the loan or grant may be subject to conditions requiring the whole or part of the grant to be repaid. You cannot accept any such loan or grant unless we agree in writing; and
- (i) not knowingly take any action regarding the Property that is against any applicable law or regulation.

10.2 Other than as permitted in Term 11.5 and Term 11.6, you must not do any of the following without getting our written consent first:

- (a) transfer, assign, mortgage, obtain an extended lease of or otherwise deal with or give away the Property;
- (b) accept the surrender of any lease or tenancy of the Property;
- (c) alter or extend the Property.

10.3 We may instruct a valuer to value and inspect the Property and provide us with a Valuation Report at any time.

10.4 We will require you to pay the cost of any such Valuation Report promptly if:

- (a) a Valuation Report has been obtained in connection with the compulsory purchase of the Property; or
- (b) a Valuation Report has been obtained by us at any time when a Default is occurring or we reasonably believe that a Default is occurring.

10.5 You agree to tell us if you become the owner of:

- (a) a freehold, extended leasehold or commonhold interest in the Property or the building of which the Property is a part; or
- (b) any land or property which is adjacent, joining or neighbouring the Property.

If we ask you to, you will then enter into a new Mortgage Deed, where the extra interest or land becomes part of the security for the Outstanding Balance.

11 Use and Occupation of the Property

11.1 You must use the Property for letting for residential purposes as a private dwelling and you must not change the use of the Property, or allow the Property to be used for a trade or business, without first getting our consent in writing.

11.2 Unless expressly permitted under the terms of your Offer, you must not use the property as a "house in multiple occupation" as

defined in the Housing Act 2004; and the property may only be let under a single tenancy at any one time. If we discover that you are using the Property in breach of this clause 11.2, we shall be entitled, upon providing you with written notice, to add a premium of 1% to the Interest Rate, to reflect the increased risk to us of this type of property; and such premium shall continue to apply until you rectify the breach of this condition to our reasonable satisfaction.

- 11.3 You must not occupy the Property yourself and you must not agree to grant a tenancy of the Property to any of the following:
- (a) your family members (including your spouse, civil partner, a person (whether or not of the opposite sex) whose relationship with you has the characteristics of the relationship between husband and wife, parents, grandparents, siblings, children and grandchildren) (each a **Family Member**);
 - (b) if you are a Corporate Body, any director, member or shareholder of such Corporate Body and any Family Member of a director, member or shareholder of the Corporate Body;
 - (c) a local authority; or
 - (d) people who could claim diplomatic immunity.
- 11.4 You must not, unless we have agreed in writing, grant or agree to grant or renew any lease or tenancy of the Property or give to any person any contractual or other licence or right to occupy or live in the Property other than a tenancy which complies with Term 11.5 or Term 11.6.
- 11.5 You must ensure that any tenancy agreement for the Property created with a non-corporate tenant complies with the following:
- (a) any tenancy of the Property created before 1 March 1997 must be an assured shorthold tenancy and be for a term of not less than six months (your solicitor must produce to us or to our solicitor valid notices served under Section 20 of the Housing Act 1988 before the tenancy was created together with 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 our solicitor, before buying the Property, that all provisions of Part 1 of the Landlord and Tenant Act 1987 and the Housing Act 1988 have been complied with by the seller or you as appropriate;
 - (d) the letting must be for residential purposes only;
 - (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 tenancy agreement must not be for a term of more than thirty-six months;
 - (g) references about ability to pay the rent and character must be obtained for the proposed tenant(s) and must be made available when we ask for them;
 - (h) any tenancy agreement must (a) be in a form normally used for residential agreements; and (b) contain no terms which can adversely affect our interest as mortgagee;
 - (i) before any tenancy is granted a notice must be served on tenants that possession might be recovered under Ground 2, Schedule 2 of the Housing Act 1988, namely that the Property is subject to a mortgage granted before the beginning of the tenancy and the mortgagee may recover possession of the Property for the purpose of disposing of it with vacant possession if the mortgagor is in default; and
 - (j) any deposit must be held by a body approved by the Government pursuant to the requirements of the Housing Act 2004.
- 11.6 Any tenancy agreement for the Property created with a corporate tenant must be in form and substance acceptable to us or our solicitor. Our prior approval of the agreement is required.
- 11.7 If the rental income for the Property exceeds £100,000 per annum, we reserve the right to request that you use our preferred form of tenancy agreement.

12 Insuring the Property

- 12.1 Your Property must be covered by buildings insurance for as long as it is security for money that you owe us.
- 12.2 Except where the Property is insured in accordance with Term 12.4, you must insure the Property:
- (a) you must maintain a comprehensive policy against all usual house insurance risks with such insurers as we approve. The risks include (but are not limited to) fire, explosion, earthquake, storm, flood, escape of water or oil, subsidence, heave, landslip and malicious damage. The policy must be for the cost of full reinstatement of the Property, including clearing the site and paying all fees and expenses. The amount insured under the policy must be enough to put the Property back to its original state following any amount of damage or destruction;
 - (b) you will give us a copy of your insurance policy and provide proof of payment of the premiums if we ask for this; and

- (c) you must tell us immediately if you make a claim on the insurance policy relating to the Property of more than £25,000.
- 12.3 If you fail to insure the Property in accordance with Term 12.2; or you fail to meet a request under clause 12.2(b) and we reasonably suspect that you failed to insure the Property, we can insure it instead. If we do so:
- (a) we will choose the insurers and maintain a comprehensive policy against all usual house insurance risks and for the cost of full reinstatement of the Property;
 - (b) we will do so at your expense and you will pay the charges we impose under Term 5.3(c) for making good your failure to insure; and
 - (c) such insurance policy will cover our interest. We are under no obligation to ensure that such policy covers your interest in the Property.
- 12.4 If the Property is leasehold or commonhold and the terms of the lease or the commonhold community statement provide for the Property to be insured by a third party (for example, the landlord), then the Property will not need to be separately insured by you, provided that:
- (a) you comply with the terms of the lease;
 - (b) you tell or ensure that the landlord tells the insurer of our interest in the Property as mortgagee and you or the landlord arrange for our interest to be noted on the policy;
 - (c) we or our conveyancer have approved the policy and confirmed that the insurance is in force; and
 - (d) you must do your best to ensure that the Property remains insured against all risks detailed in Term 12.2(a) above and for the cost of full reinstatement of the Property.
- 12.5 You will not do anything or allow anything to be done or not done which may make the insurance invalid or which makes the insurance more difficult or expensive to obtain or maintain or affects the ability to make a claim under the insurance policy.
- 12.6 We may, on your behalf, settle and adjust any claims against the insurers of the Property. In the event of a payout following a claim on the policy (whether arranged by you or us), we may receive any money paid out under the claim or, if you receive it, you must hold it in trust on our behalf and keep it separate from your other funds. We will use any money paid under the insurance policy to reduce or pay off the Outstanding Balance.

13 Your Promises

- 13.1 You will not:
- (a) make a substantial change to the general nature of your business, unless we give our consent;
 - (b) create or permit to subsist any encumbrance over the Property other than pursuant to the Mortgage Deed or with our prior written consent; and
 - (c) if you are a Corporate Body, create or permit to subsist any encumbrance over your assets other than pursuant to the Mortgage Deed or with our prior written consent.
- 13.2 If you are a Corporate Body, you will:
- (a) not appoint any new directors or admit any new members, unless we give our written consent;
 - (b) procure any new directors:
 - (i) grant a Guarantee in our favour; and
 - (ii) provide such identification and verification information as is required by us;
 - (c) immediately notify us if any director ceases to be director or any member ceases to be a member;
 - (d) procure any new Material Shareholders provide such identification and verification information as is required by us.

14 Your confirmation to us

- 14.1 You confirm to us that:
- (a) if you are a Corporate Body, it was duly incorporated and is validly existing under the laws of its jurisdiction of incorporation;
 - (b) if you are a Corporate Body, you have the power to own your assets and to carry on your business as it is being conducted;
 - (c) you have full power and capacity to enter into and perform your obligations under the Mortgage Documents or any other document delivered to us in connection with a Loan;

- (d) if you are a Corporate Body, no limit on your powers will be exceeded as a result of you entering into and performing your obligations under the Mortgage Documents or any other document delivered to us in connection with a Loan;
- (e) if you are a Corporate Body, all necessary action has been taken to authorise you to enter into and perform your obligations under the Mortgage Documents or any other document delivered to us in connection with a Loan;
- (f) the obligations expressed to be assumed by you in the Mortgage Documents or any other document delivered to us in connection with a Loan are legal, valid, binding and enforceable;
- (g) the entry into and performance by you of the Mortgage Documents or any other document delivered to us in connection with a Loan does not conflict with:
 - (i) your constitutional documents if you are a Corporate Body (if any);
 - (ii) any law or regulation applicable to you; or
 - (iii) any agreement or instrument binding on you or your assets or constitute a default under any such agreement or instrument;
- (h) you have obtained and maintained in full force and effect all consents, licences or other authorisations required by you to enable you to perform your obligations under the Mortgage Documents or any other document delivered to us in connection with a Loan;
- (i) all factual information provided by you to us under or in connection with a Loan and the Mortgage Documents or any other document delivered to us in connection with a Loan (including but not limited to your application form in respect of a Loan) was accurate in all material respects when provided and did not omit any information which would render the information provided misleading;
- (j) if you are an individual, any certified business accounts supplied by you to us under or in connection with a Loan:
 - (i) were prepared in accordance with GAAP consistently applied; and
 - (ii) fairly represent your financial condition and the results of your operations for the period in respect of which they were prepared;
- (k) if you are a Corporate Body, any audited financial statements supplied by you to us under or in connection with a Loan were prepared in accordance with GAAP consistently applied;
- (l) if you are a Corporate Body, any unaudited financial statements supplied by you to us under or in connection with a Loan fairly represent your financial condition and the results of your operations for the period in respect of which they were prepared;
- (m) no litigation, arbitration or other administrative proceedings or investigations have been started or threatened against you which if adversely determined would have a Material Adverse Effect;
- (n) you are not in breach of any law or regulation where such breach would have a Material Adverse Effect; and
- (o) no Event of Default is continuing.

14.2 The confirmations in Term 14.1 are made on the date of your acceptance of the Offer and deemed to be repeated (by reference to the facts and circumstances then existing) on each date on which you owe money to us under a Loan.

15 Action We May Take

15.1 We may take any of the steps specified in Term 15.2 of the mortgage terms if you have become obliged to pay us the Outstanding Balance immediately under Term 4.1 of the loan terms. We may appoint a receiver to take these steps instead of us. A receiver is someone we can appoint to manage the Property for us. Although we would appoint the receiver, he or she would act in your name (not ours) and as your agent and you would have to pay his or her fees. In the event that we pay the receiver's fees as we reasonably agree with him on your behalf, you will be liable for these fees (and it will be added to the Capital) from the date we incur them.

15.2 We or any receiver may do the following to protect our position as Lender and safeguard the Property as security for the Outstanding Balance:

- (a) generally manage the Property including collecting and receiving all rents, arranging any necessary repairs and maintenance, ensuring compliance with local authority requirements, maintaining, renewing or increasing insurances and serving notices under any relevant housing legislation;
- (b) take possession of the Property and take any action or proceedings necessary to do so;
- (c) sell the Property (whether or not we have taken possession) for a price and on such terms as we may think fit (always ensuring that we obtain the best price possible in the circumstances);

- (d) let or sublet the Property and vary, renew, terminate, surrender or accept surrenders of leases, tenancies or licences over the Property for a price and on such terms and for such rent and payment as we think fit;
 - (e) sell any freehold or leasehold reversions created as a result of letting or subletting the Property under paragraph (d) above; and
 - (f) where the Property has been let or sublet under paragraph (d) above, exercise, on your behalf and without having to give you prior notice or obtain your consent, all the powers and duties conferred on a landlord by legislation in force at the time.
- 15.3 If we, or a receiver appointed by us, take possession of the Property you must remove all furniture and other moveable property (personal items) from the Property within 14 days and must not remove any fixed items from the Property without our agreement in writing.
- 15.4 If any furniture or moveable items are not removed within 14 days then you agree that we or the receiver may:
- (a) deal with them as your agents and at your expense;
 - (b) sell or otherwise dispose of anything which belongs to you, in which case we (or the receiver) will account to you for any proceeds received less all reasonable expenses of the sale; and
 - (c) remove and store anything which we know does not belong to you.
- 15.5 Where more than one receiver is appointed each joint receiver may act separately and independently of any other joint receiver (unless the document appointing such receiver states otherwise). We may from time to time remove a receiver and appoint another in his or her place.
- 15.6 A receiver may charge any amount for his or her services as we reasonably agree with him and you will be responsible for paying those fees. In the event that we pay the receiver's fees on your behalf, you will be liable for these fees (and it will be added to the Capital) from the date we incur them. We and any receiver may also employ and pay agents to act in our or the receiver's place. These agents will be treated as your agents and you will also be responsible for their fees so long as they are reasonable.
- 15.7 The Law of Property Act 1925 sets out certain rules in relation to the appointment of a receiver and the enforcement of security. It is typical for a mortgage lender to disapply certain of those rules and we do that as set out below:
- (a) Section 109(8) of the Law of Property Act 1925 is amended to allow a receiver to use any money received by him or her to repay any money owing by you in such order of priority (not being an order which is in conflict with Term 1.8) as we and the receiver reasonably agree, rather than a specific order set out in those rules; and
 - (b) Sections 99, 100 and 103 of the Act set out some specific powers in relation to dealing with a Property, but we or a receiver are able to dispose of the Property in any way that we see fit provided that we or they act reasonably and do not breach these Terms.

Please ask your solicitor if you require further information.

- 15.8 For the avoidance of doubt, any receiver appointed acts in your name (not ours) and as your agent. The receiver will in no circumstances act for us in our name and as our agent.
- 15.9 Where we have appointed a receiver or taken possession of the Property, we may dis-instruct the receiver or hand the Property back to you by providing written notice to you.
- 16 Power Of Attorney To Act On Your Behalf**
- 16.1 We and any receiver appointed over the Property may need to take certain action (including signing documents) on your behalf to protect our security. By execution of the Mortgage Deed, you hereby irrevocably appoint us and any receiver appointed over the Property to be your attorney to take such action where necessary. This means we and any receiver appointed over the Property are legally entitled to act on your behalf. We are appointed for as long as the mortgage remains in force securing any money you owe to us.
- 16.2 If there are two or more of you then you agree that we and any receiver will be attorney for each of you individually as well as for all of you jointly.
- 16.3 You hereby irrevocably give us a power of attorney authorising us and any receiver to act on your behalf to take any action which you are obliged to take under these Terms, including but not limited to:
- (a) signing and completing any document which is needed to make good any defect in your title to the Property or in the mortgage;
 - (b) transferring your share or interest in any residents' society or management company, or your legal or beneficial interest in the freehold or leasehold reversion of the Property when we exercise our powers as mortgagee to sell or lease the Property;
 - (c) entering into any variation of your title to the Property in order to protect or enhance our security;

- (d) settling any claim made by your landlord, management company or commonhold association (if your Property is leasehold or commonhold) or rent charge owner (if your Property is subject to a rent charge) if we think it reasonable for us to settle it in order to protect our security or maintain its value, even though you may dispute the sum claimed;
- (e) where the provisions of Term 10.5 apply, entering into a new Mortgage Deed in the event that the extra interest or land becomes part of the security for the Outstanding Balance; and
- (f) assigning any rights to us under Term 17.

17 Compensation from Third Parties

17.1 You assign your rights to the following to us for as long as the Mortgage Deed is in force:

- (a) All compensation and other amounts relating to the Property which you are entitled to now or in the future.
- (b) Any rights or benefits relating to the Property, including, but not limited to, the right to take action against someone for:
 - (i) damage to the Property;
 - (ii) reduction in value of the Property;
 - (iii) defective title to the Property; or
 - (iv) being negligent in relation to the Property or breaking a contract relating to the Property.

17.2 If you receive any money which you have agreed to assign to us under Term 17.1, you agree to hold the money on trust for us, to tell us that you have received it, and to follow our instructions when dealing with that money.

17.3 We may choose whether to use any money we receive under this Term to repair or improve the Property or to reduce the Outstanding Balance.

17.4 If the Property is held by you on terms which allow you to hold shares in, or be a member of, a management company or commonhold association, you will give us your share certificate or membership certificate and the form (signed by you) needed to transfer your shares or membership. This is so that if we need to take possession of the Property and sell it, we can transfer your shares or membership to the buyer.

Part 3 – General Terms

18 Provision of information

18.1 You shall provide to us the following information:

- (a) at the same time as they are sent to your creditors, copies of all correspondence and documents sent by you to your creditors generally;
- (b) promptly on becoming aware of them, the details of any litigation, arbitration, administrative or bankruptcy proceedings which are current, threatened or pending against you and which, if adversely determined, are likely to have a Material Adverse Effect;
- (c) immediate notification of any notice received by you under section 146 of the Law of Property Act 1925 or any proceedings commenced or steps taken against you for the forfeiture of any lease under which you hold an interest in the property;
- (d) if requested in writing by us you will promptly provide to us an annual monitoring report containing such information in respect of the Property and each lease or licence you have granted in relation to the Property as we shall require, such report to be in a form acceptable to the us, but to include, without limitation, the following information:
 - (i) the name of any tenant, or occupier;
 - (ii) the rent, service charge, VAT and any other payments payable and (separately) paid to you in that year;
 - (iii) any rent, service charge, VAT and any other payments payable and (separately) paid by you under any lease under which you hold an interest in any property in the Property;
 - (iv) details of any rent or service charges arrears and details of the steps taken to recover such arrears;
 - (v) details of any rent review agreed or in progress during that year and any rent review which will fall to be determined in the following year;
 - (vi) details of any expiry, termination or surrender or any notice of expiry, termination or surrender given by any tenant;
 - (vii) details of any new lettings and licences proposed;

- (viii) details of any new insurance claims and the progress of existing insurance claims;
 - (ix) details of any dispute between you and any tenant or occupier of any property in the Property;
 - (x) details of any dispute between you and any landlord in respect of any lease under which you hold an interest in any property in the Property;
 - (xi) details of any sinking fund in respect of any property in the Property;
 - (xii) details of all irrecoverable expenditure incurred or to be incurred by you in respect of any property in the Property; and
 - (xiii) copies of any current leases, tenancy agreements or licences granted by you in relation to any property in the Property (to the extent that they have not previously been provided to us); and;
- (e) such further information regarding the business and operations of you, any property in the Property or the financial condition of you (and, if you are in a Corporate Body, any Guarantor) generally as we may reasonably request.

19 Joint and several liability

Where you comprise two or more persons:

- (a) the Mortgage Documents apply to all of you together and to each of you on your own; and
- (b) each of you can be held fully responsible for keeping to the Mortgage Documents.

This means that we can pursue each of you individually and both of you together to recover the Outstanding Balance.

20 Transferring the Mortgage and the Outstanding Balance

- 20.1 We may sell, transfer, assign, securitise, charge or otherwise dispose of (in whole or in part) our rights under the Mortgage Documents at any time, at law or in equity on such terms as we may decide and without your consent.
- 20.2 Unless the terms of the transfer state otherwise, a transferee of any of our rights under the Mortgage Documents will be able to exercise all the rights, powers and remedies which we are able to exercise before the transfer (including the right to assign in accordance with this clause). In the event of a transfer, your obligations to us under these Terms will continue for the benefit of the transferee.
- 20.3 You agree that we may at any time transfer all or some of our obligations under the Mortgage Documents to another person. If we do so, you will be able to enforce the transferred obligations against that person in the same way that you could enforce them against us before the transfer.
- 20.4 If we take any of the steps described in Terms 20.1 or 20.3:
- (a) it will not reduce your rights or increase your obligations under the Mortgage Documents; and
 - (b) it will not reduce any guarantees you have under or by virtue of the Mortgage Documents .
- 20.5 We may disclose the following to any person who takes, or is considering taking, a transfer, assignment, charge or other disposal of all or part of any of our rights or obligations under the Mortgage Documents:
- (a) any information you gave us when you applied for any Loan;
 - (b) any documents supporting your application; and
 - (c) any other information or documents (including the Mortgage Documents) we hold concerning the Property, the Offer, any other security we hold in respect of the Outstanding Balance, or the way you have performed your obligations under the Offer and these Terms.

Where any information or document which we disclose under this Term was originally supplied by you, you agree that the person to whom we disclose it may rely on its truth and accuracy.

- 20.6 You may not assign or transfer your rights or obligations under the Mortgage Documents.

21 Notices

- 21.1 We may give you notice under these Terms by writing to you personally either:
- (a) by post to your last known address (which we shall be entitled to take as the address stated on your mortgage application unless you have provided us with updated details) or if you are a Corporate Body, your registered office address; or
 - (b) by other electronic communication to any number or email address you have given us for this purpose.

21.2 Any notice given by us under Term 21.1 will be considered as received by you as follows:

- (a) **Post:** The second working day after date of posting (regardless of class of post); and
- (b) **Email:** The day the email is sent.

22 Other Terms

- 22.1 All communications between us may be monitored or recorded to improve the quality of our service and for your protection and security.
- 22.2 We will supply these Terms and otherwise communicate with you in connection with your Loan in the English language.
- 22.3 Each of the provisions of these Terms are distinct from each other. If one or more provisions becomes illegal, invalid, void or unenforceable, this will not affect any of the remaining provisions and the remaining provisions shall apply as if the illegal, invalid, void or unenforceable term had not been included.
- 22.4 Laws and regulations imply certain terms into our agreement with you. For example, as well as the powers set out in these Terms, we and you both have some other legal rights. Unless these Terms explicitly disapply those rights, they will be applicable to you or us.
- 22.5 If we decide not to enforce any part of these Terms or delay enforcing it, such delay or inaction will not affect our right to enforce the same part at a later date.
- 22.6 We can change these Terms if it is reasonable to do so to:
- (a) make them easier to understand or to make them fairer to you;
 - (b) change the way we look after your account as a result of changes beyond our reasonable control in the banking or financial system, technology or the systems we use to run our business;
 - (c) reflect changes to the law, codes of practice or the way we are regulated.
- 22.7 No person other than a party to the mortgage or a person who takes a transfer of our interest in the mortgage or the Outstanding Balance under Term 20.1 may enforce any rights under these Terms or the Offer under the Contracts (Rights of Third Parties) Act 1999.
- 22.8 These Terms are governed by the laws of England and Wales.

23 Complaints

- 23.1 We strive to give you the highest standards of products and services. We understand that things do not always go to plan, and there may be times when we do not live up to your expectations. If this happens, we want you to tell us. We will do our very best to put things right, as quickly as possible and to your satisfaction.
- 23.2 We hope to resolve issues as soon as we know about them. However, if you feel we have not achieved this, we have clear and simple procedures in place to make sure we handle your case fairly, sensitively and in line with requirements set by the Financial Conduct Authority. We will also try to make sure that we fix the root cause of problems so that we do not make similar mistakes again.
- 23.3 We will fully investigate every complaint about our services. Even if your complaint relates to a particular policy decision and we are not necessarily able to change things, we will explain it to you.
- 23.4 We want to resolve your complaint straightaway and, in the majority of cases, the first person you speak to will usually be able to resolve things for you. If we have been unable to do that we will aim to resolve your complaint within three business days of receipt we will write to you to confirm your complaint has been resolved. If we cannot resolve your complaint within 3 business days of receipt we will aim to respond within 5 business days to acknowledge your complaint and tell you who is dealing with it.
- 23.5 We will then keep you up to date while we are investigating your complaint, until we provide you with a formal resolution letter, as part of our procedure. In most cases reaching this stage, we will be able to resolve your complaint within two weeks of receiving it.
- 23.6 In exceptional circumstances, particularly where your complaint is complex, it may take over eight weeks to resolve matters for you. We will, however, write to you at that point to let you know you may be eligible to contact the Financial Ombudsman Service (FOS) to review your complaint. You can contact the FOS either via their website at <http://www.financial-ombudsman.org.uk/> or via post at The Financial Ombudsman Service, Exchange Tower, London E14 9SR.
- 23.7 If you are unhappy with our final response to your complaint, you may be eligible to ask the FOS for an independent review.
- 23.8 For a full outline of our complaints procedures and how to make a complaint, please **go to our website at www.Zephyrhomeloans.co.uk**

24 Data Protection

- 24.1 To the extent that we determine the manner and the purpose of processing, we acknowledge that we are Data Controllers of your Personal Data (as such terms are defined in the Data Protection Act 2018 and in the General Data Protection Regulation (EU) 2016/679) (the "Regulation").
- 24.2 Full details as to how we process your personal data for the purposes of your Loan and the mortgage are contained in the Privacy Notice (the 'Privacy Notice'). If we need to update or change the Privacy Notice that governs our processing of your Personal Data, we shall notify you of such changes. A current copy of the Privacy Notice is provided with these Terms. Clause 20.5 of these Terms shall also apply (in addition to the uses set out in the Privacy Notice) where we are considering transferring any of our rights in respect of the mortgage and the Outstanding Balance.
- 24.3 The Privacy Notice sets out the basis on which we will collect and process your Personal Data and that of any third party whose Personal Data you supply to us. We ask that you read it carefully and in full prior to entering into the mortgage, as it contains (amongst other things) important information regarding how we will use your Personal Data (and, where applicable, Personal Data relating to your financial associates) for the purposes of credit referencing for the purposes of entering and during the life of the mortgage.
- 24.4 By signing the Mortgage Deed and entering into the mortgage you acknowledge that you have carefully read and understood the processing of your Personal Data that will be undertaken in accordance with the Privacy Notice and that you acknowledge we may update or change the Privacy Notice from time to time.
- 24.5 If we intend to make use of your Personal Data for any new purposes which would be considered incompatible with the purposes for which it was originally collected, as set out in this Privacy Notice, we will notify you of such intended uses and establish a lawful grounds for processing, prior to the commencement of any such processing.