

UCB Home Loans Corporation Limited Mortgage Variation Terms and Conditions (2004) (England and Wales)

These are the UCB HOME LOANS CORPORATION LIMITED terms and conditions referred to and incorporated into your offer document and the terminology used shall have the same meaning in these terms and conditions as it has in the offer document. This is an important document and you should read it carefully. If there is anything that you do not understand it is essential that you seek independent advice. Remember that the loan remains secured on your property, which means that if the debt is not repaid, or monthly payments are not paid when due, UCBHL can take possession of the property and sell it.

Section A

Explains the purpose of the terms and conditions, the meanings of the words and expressions used, and terms and conditions specific to Variable Rate Plans, Fixed Rate Plans, Tracker Plans, Flexible Plans and Buy to Let Plans. Read your offer document to see under which heading to find the specific terms that apply to the Plan you have selected.

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SECTION A

1. PURPOSE OF THESE CONDITIONS

These **conditions** form part of, and are to be read together with, any **offer document** and **mortgage deed** which states that they are included.

2. MEANING OF WORDS AND EXPRESSIONS

2.1 In these **conditions** and any Special Conditions appearing in the **offer document**:

(i) the following words and expressions have the following meanings when appearing in bold print in these **conditions**:

“ benefit period ”	the period of time specified in your offer document from the date of completion of your mortgage to the end of the same month in which you took the loan .
“ conditions ”	the UCB Home Loans Corporation Limited Mortgage Variation Terms and Conditions 2004 (England and Wales);
“ credit reserve ”	the difference between the loan and the debt ;
“ debt ”	the total amount of money outstanding under your mortgage , including any unpaid interest, fees and costs which may or may not have been added to the loan ;
“ draw down ”	a withdrawal of £500.00 or more from either the credit reserve or reserve fund , whichever is applicable;
“ early repayment charge ”	a charge which is payable if you pay or part repay the debt as specified in your offer document ;
“ loan ”	the amount of money we have lent you under a previous offer document ;
“ month ”	a calendar month;
“ monthly payment ”	the monthly payment which is payable under the offer document , as varied from time to time under these conditions ;
“ mortgage deed ”	the legal document which you have signed to grant us security over the property for the loan we have made;
“ mortgage ”	your mortgage account with us ;
“ offer document ”	the offer document by which we offer to vary the terms and conditions of your existing mortgage with us , subject to these conditions ;
“ overpayment ”	any payment made in addition to your monthly payment , which is not intended to be a payment or part repayment of the debt ;
“ part repayment ”	any payment made in addition to your monthly payment intended to reduce the debt ;
“ payment holiday ”	the ability to miss a monthly payment on terms that we agree which is taken from the reserve fund ;
“ reserve fund ”	the amount of the credit arrears balance which you can request the return of;

“property”	all or any part of the property comprising our security under the mortgage deed ;
“property rights”	(a) your rights under any agreement, option, assurance policy or guarantee which concerns: <ul style="list-style-type: none"> • the property; • the way the property is built; or • the condition of the property; <p>(b) any shares or other membership rights which you hold in a management company or residents association by virtue of owning the property;</p> <p>(c) any rights you have to any statutory compensation concerning the property;</p> <p>(d) all rights and remedies you have concerning the property (including any which arise from damage to it or a drop in its value);</p>
“rebuilding cost”	the full cost of rebuilding the property to its original form (or as close to it as possible), including site clearance, all professional fees and the cost of meeting planning and local authority requirements;
“term”	the period of time stated in the offer document for the repayment of the loan , as varied under these conditions , if applicable;
“UCBHL/we/us/our/ourselves”	UCB Home Loans Corporation Limited and its successors;
“underpayments”	a payment which is less than your monthly payment , which we have agreed subject to these conditions ;
“you/your/yourself”	the person named as the borrower in the mortgage deed and offer document and that person’s successors; and

(ii) the singular includes the plural and vice versa.

2.2 If there are more than one of **you** these **conditions** apply to all of **you** together and to each of **you** on **your** own.

2.3 References to a provision in a statute include any changes which are made to it and to any provision which replaces it.

2.4 If these **conditions** and the terms of the **offer document** are not consistent, the **offer document** will take priority.

2.5 Any change to **your offer document** and these **conditions** will only be effective if it is in writing.

2.6 Any third party who has represented or assisted **you** with **your** application to vary the **terms** and **conditions** of **your** existing **mortgage** with **us** is not **our** agent and has no authority to make representations on **our** behalf.

3. VARIABLE RATE PLANS (Including Loyalty Flexible Discount)

- 3.1 Your loan is at the variable rate stated in the **offer document**. The **monthly payments** specified in the **offer document** will vary in accordance with the prevailing interest rate.

Early Repayment or Transfer to an other Mortgage Product

- 3.2 If within any **early repayment charge** period specified in **your offer document**

(a) **you** repay all or part of the **debt**, or it becomes repayable for any reason;

Or

(b) **you** apply for, and are granted, a transfer to another mortgage product;

then **you** must pay any **early repayment charge** specified in the **offer document**. In the event of a **part repayment** being made any **early repayment charge** made will be based on the value of the **part repayment**.

Loyalty Plans Only

- 3.3 At the end of the Discounted Period, the interest rate will revert to the Loyalty Flexible Variable Rate for the remainder of the **term** and the **monthly payments** specified in the **offer document** will vary in accordance with the prevailing interest rate.

4. FLEXIBLE FIXED RATE PLANS

- 4.1 The interest rate will be fixed for the fixed rate period specified in the **offer document** from the date the advance is made providing there is no breach of these **conditions** or any condition in the **offer document**.

Loyalty Flexible Fixed Plans Only

- 4.2 The fixed rate period may be removed and the Loyalty Flexible Variable Rate applied instead upon any breach of these **conditions** or any condition in the **offer document**.
- 4.3 At the end of the fixed rate period, the interest rate will revert to the Loyalty Flexible Variable Rate for the remainder of the **term** and the **monthly payments** specified in the **offer document** will vary in accordance with the prevailing interest rate.

Buy To Let Flexible Fixed Plans Only

- 4.4 The fixed rate period may be removed and the Investment Flexible Variable Rate applied instead upon any breach of these **conditions** or any condition in the **offer document**.
- 4.5 At the end of the fixed rate period, the interest rate will revert to the Investment Flexible Variable Rate for the remainder of the **term** and the **monthly payments** specified in the **offer document** will vary in accordance with the prevailing interest rate.

Self Cert Flexible Fixed Plans Only

- 4.6 The fixed rate period may be removed and the Flexible Variable Rate applied instead upon any breach of these **conditions** or any condition in the **offer document**.
- 4.7 At the end of the fixed rate period, the interest rate will revert to the Flexible Variable Rate for the remainder of the **term** and the **monthly payments** specified in the **offer document** will vary in accordance with the prevailing interest rate.

Early Repayment or Transfer to another Mortgage Product

4.8 If within any **early repayment charge** period of **your mortgage**

(a) **you** repay all or part of the **debt**, or it becomes repayable for any reason;

Or

(b) **you** apply for, and are granted a transfer to another mortgage product;

then **you** must pay any **early repayment charge** specified in the **offer document**. In the event of a **part repayment** being made any **early repayment charge** made will be based on the value of the **part repayment**.

5. FLEXIBLE FEATURES

5.1 Interest will be calculated on a daily basis on the **debt** at the end of each day. It will be debited to the **mortgage** and payable in arrears on **your** chosen due date. The first payment will be due on the date specified in the **offer document**.

5.2 **You** may make **overpayments** or **part repayments** or request a **drawdown** as specified in **your offer document** by completing a "Flexiform" (which must be signed and dated by **you**). When requesting a **draw down you** must give **us** a minimum of 5 working days notice of the date when **you** require the funds.

5.3 All **overpayments** or **part repayments** by electronic bank transfers, standing orders or bank giro credits must be received by the last day of the month if the **overpayment** or **part repayment** is to be effective within the **month** the funds are received.

5.4 All **overpayments** and **part repayments** made by cheque will take seven days to clear from the date of receipt (or the next working day if received on a weekend or public holiday). Cleared **overpayments** and **part repayments** made in this way will be credited to the **mortgage** subject to payment of any **early repayment charge**, and interest will be recalculated on the seventh day following receipt.

5.5 The **monthly payments** specified in the **offer document** are calculated on the **debt** on **your mortgage** at completion. Following **drawdowns** or **part repayments** the **loan** will change and **your monthly payments** will also change.

5.6 **We** may refuse to allow further **draw downs** if any of the events of default listed in clause 11.2 of these **conditions** have occurred.

5.7 By prior arrangement with **us**, **you** may make **underpayments** or take **payment holidays** subject to **you** having made **overpayments** and **your reserve fund** balance being equal to or greater than the value of the **underpayment** or **payment holiday** requested.

Flexible Fixed Rate Plans Only

5.8 **Overpayments** will be applied to your **reserve fund** unless **you** ask to make a **part repayment** of the **debt**. **You** may make a **part repayment** at any time provided **you** meet any Special Conditions in the **offer document** regarding early repayment, such as paying an **early repayment charge**. For Fixed Rate Plans, **overpayments** will be restricted to a maximum £500 per month within the Fixed Rate Period. An **early repayment charge** will apply to any **overpayment** in excess of £500 during the Fixed Rate Period, as it will be treated as a **part repayment**.

6. FLEXIBLE TRACKER PLANS

- 6.1 The interest rate is variable and will track the Bank of England Base Rate by the amount and for the period specified in the **offer document**, provided there is no breach of these **conditions** or any condition in the **offer document**.
- 6.2 The rate will be increased or decreased on the 1st of the following month after an announcement by the Bank of England to change the Base Rate.

Loyalty Flexible Tracker Plans Only

- 6.3 The Tracker Rate may be removed and the Loyalty Flexible Variable Rate applied instead on any breach of these **conditions** or any condition in the **offer document**.
- 6.4 At the end of the Tracker period, the interest rate will revert to the Loyalty Flexible Variable Rate for the remainder of the **term**.
- 6.5 In the event of the Bank of England ceasing to set a relevant interest rate, we may by resolution of our Board of Directors, declare some other comparable rate to be the Loyalty Flexible Tracker Rate for the purposes of these **conditions**.

Buy To Let Flexible Tracker Plans Only

- 6.6 The Tracker Rate may be removed and the Investment Flexible Variable Rate applied instead on any breach of these **conditions** or any condition in the **offer document**.
- 6.7 At the end of the Tracker period, the interest rate will revert to the Investment Flexible Variable Rate for the remainder of the **term**.
- 6.8 In the event of the Bank of England ceasing to set a relevant interest rate, we may by resolution of our Board of Directors, declare some other comparable rate to be the Buy to Let Flexible Tracker Rate for the purposes of these **conditions**.

Self Cert Flexible Tracker Plans Only

- 6.9.1 The Tracker Rate may be removed and the Flexible Variable Rate applied instead on any breach of these **conditions** or any condition in the **offer document**.
- 6.9.2 At the end of the Tracker period, the interest rate will revert to the Flexible Variable Rate for the remainder of the **term**.
- 6.9.3 In the event of the Bank of England ceasing to set a relevant interest rate, we may by resolution of our Board of Directors, declare some other comparable rate to be the Self Certification Flexible Tracker Rate for the purposes of these conditions.

Early Repayment or Transfer to another Mortgage Product

- 6.10 If within any **early repayment charge** period of **your mortgage**
- (a) you repay all or part of the **debt**, or it becomes repayable for any reason;
- Or
- (b) you apply for, and are granted, a transfer to another mortgage product;

then **you** must pay any **early repayment charge** specified in the **offer document**. In the event of a **part repayment** being made any **early repayment charge** made will be based on the value of the **part repayment**.

7. TRACKER PLANS

(Excludes Flexible Tracker Plans)

- 7.1 The interest rate is variable and will track the Bank of England Base Rate by the amount and for the period specified in the **offer document**, provided there is no breach of these **conditions** or any condition in the **offer document**. The Tracker Rate may be removed and the Flexible Variable Rate applied instead if there is a breach of these **conditions** or any condition in the **offer document**.
- 7.2 The rate will be increased or decreased on the 1st of the following **month** after an announcement by the Bank of England to change the Base Rate.

Self-Cert Tracker Plans Only

- 7.3 The Tracker Rate may be removed and the Flexible Variable Rate applied instead if there is a breach of these **conditions** or any condition in the **offer document**.
- 7.4 At the end of the Tracker period, the interest rate will revert to the Flexible Variable Rate for the remainder of the **term**.
- 7.5 In the event of the Bank of England ceasing to set a relevant interest rate, we may by resolution of our Board of Directors, declare some other comparable rate to be the Tracker Rate for the purposes of these **conditions**.

Buy to Let Tracker Plans Only

- 7.6 The Tracker Rate may be removed and the Investment Flexible Variable Rate applied instead if there is a breach of these **conditions** or any conditions in the **offer document**.
- 7.7 At the end of the Tracker period, the interest rate will revert to the Investment Flexible Variable Rate for the remainder of the **term**.
- 7.8 In the event of the Bank of England ceasing to set a relevant interest rate, we may by resolution of our Board of Directors, declare some other comparable rate to be the Buy to Let Tracker Rate for the purposes of these conditions.

Early Repayment or Transfer to another Mortgage Product

- 7.9 If within any **early repayment charge** period of **your mortgage**

(a) **you** repay all or part of the **debt**, or it becomes repayable for any reason;

Or

(b) **you** apply for, and are granted, a transfer to another mortgage product;

then you must pay any **early repayment charge** specified in the **offer document**. In the event of a **part repayment** being made any **early repayment charge** made will be based on the value of the **part repayment**.

8. WHAT YOU HAVE TO PAY

Repaying the Debt

- 8.1 **You** agree to repay **us** the **debt** by the end of the **term**. The **term** may be changed by written agreement between **you** and **us**.
- 8.2 **You** agree to pay **us** the **monthly payments** and abide by these **conditions** until all the **debt** has been paid.

Payment Methods

- 8.3 (i) Where the payment method is “repayment”, the **monthly payment** will consist of a combined payment of capital and interest, which **we** will workout so the **debt** is repaid by the end of the **term**.
- (ii) Where the payment method is “interest only”, the **monthly payment** will consist only of interest, and **you** will have to repay the **debt** in a single lump sum at the end of the **term**.
- (iii) Where the payment method is “part interest only, part repayment”, the interest only method will apply to an agreed amount of the **loan** and the repayment method will apply to the balance.
- 8.4 The payment method **you** have elected to adopt is as stated in the **offer document** and may be changed by written agreement between **you** and **us**, but neither **you** nor **we** shall be obliged to agree to a change. However, if an event of default has occurred under condition 11.2, **we** may change the payment method without **your** agreement by giving **you** written notice of the change.
- 8.5 If the payment method requires **you** to repay all or any part of the **debt** in a lump sum at the end of the **term**, **you** must make sure **you** are able to do so. Taking out an endowment policy, pension fund, unit trust or individual savings account (ISA) are examples of ways of saving to do so but it is **your** responsibility to take out and keep in force **your** chosen policy or savings plan.
- 8.6 It is **your** responsibility to take out life assurance cover to repay **your mortgage** should **you** die before the end of the **term**. It is **your** responsibility to ensure the policy is in force before **we** make **you** the **loan**. This includes making sure any application for life cover **you** have made has been accepted. It is **your** responsibility to ensure any policy is kept in force while **you** owe **us** money.

Capital Repayment

- 8.7.1 **You** may repay the whole or any part of the **debt** at any time provided **you** meet any Special Conditions in the **offer document** regarding early repayment, such as paying any **early repayment charges**, and subject to the following conditions relating to part repayments.
- 8.7.2 The minimum debt remaining after any **part repayment** must be at least £2,500.00.
- 8.7.3 The minimum **part repayment you** may make is £500.00.
- 8.7.4 Only one **part repayment** can be made each **month**, and the payment must be received at least 15 clear days prior to **your** payment date to have any effect on the following **month's** payment.
- 8.7.5 All **part repayments** made by cheque will take seven days from the date of receipt (or the next working day if received on a weekend or public holiday) to clear. Once cleared, and subject to deduction of any **early repayment charges** or any other sums as defined in condition 8.11 from the **part repayment**, the **debt** will be reduced.
- 8.7.6 A **part repayment** made by any other method of payment must be received before the last day of the **month** it is made, if it is to be effective within that **month**.

Fees and Costs

8.8 In addition to interest, **we** may charge **you**:

- (i) for additional services **we** provide; and
- (ii) for additional costs or losses **we** incur;
in connection with **your mortgage** or **loan**.

Any fees and/or charges under (i) above will be charged in accordance with **our** published tariff which is available on request or on **our** website www.ucbhomeloans.co.uk and may change from time to time. **We** will set out **our** tariff so that each fee or charge listed in it is fair and reasonable in relation to the cost to **us** of doing the type of work for which the fee or charge is imposed.

The costs **we** may charge under (ii) above include (but are not limited to) costs incurred:

- (a) in perfecting **our** security or in any legal proceeding store cover any part of the **debt** or to recover possession of the **property**;
- (b) in keeping the **property** insured under these **conditions**;
- (c) in paying any service charges or rent for the **property**.
- (d) If a **monthly payment** is not made on the due date specified in the **offer document**, a sum equal to 1% of the arrears in payment will be added to the balance on the account each **month**, for each **month** that the **mortgage** remains in arrears. Such sum will be deemed to form part of the arrears and shall be immediately due and payable. This sum is to compensate **us** for additional administration, expenses and other overheads which will be incurred as a result of any payments not being made on time.

You must pay **our** costs in full unless **you** can show that they were unreasonably incurred or are unreasonable in amount.

We may ask **you** to pay any fee or charge before **we** do the work for which it is imposed, and **we** may ask **you** to pay **us** the amount of any costs which **we** expect to incur before **we** have incurred them. Any fees, charges or costs which **you** have not paid **us** in advance will be added to the **debt** and (provided **we** have notified **you** of the amount **you** are liable to pay and have given **you** a reasonable opportunity to pay) the amount due will bear interest from then on. If **you** do not wish to incur additional interest **you** should pay the amount as soon as it is due.

Monthly Payments

8.9 **We** may set and vary from time to time the **monthly payments** to reflect:

- (i) the current interest rate applicable to the **debt**;
- (ii) the **debt**;
- (iii) the current payment method;
- (iv) the **term**;
- (v) **your** chosen **monthly payment** date.

Any change in **monthly payments** will be notified to **you** giving **you** three days written notice of **our** intention to do so. Alternatively, **you** and **we** may agree that **your monthly payments** will be reviewed and (if appropriate) changed periodically, for example annually, in which case any notice of change in **your monthly payments** will be sent to **you** a reasonable time before the start of each period.

- 8.10 **You** may choose to make **your monthly payments** on any day in the month (from 1- 28). However, unless **you** notify **us** to the contrary the **monthly payment we** request will assume that **you** wish to continue making payments on the day that has previously been agreed.
- 8.11 All payments for the credit of **your mortgage** will be applied in the following order: -
- (i) fees, costs and charges applied to the account;
 - (ii) interest;
 - (iii) capital.

You should read the Special Conditions in the **offer document** before making a payment of more than **your monthly payment** to check to see whether **you** will be liable to pay an **early repayment charge**.

- 8.12 All **monthly payments** or other regular payments made by **you** are to be made by Direct Debit.

9. INTEREST

- 9.1 The interest rate **we** will charge **you** will be the rate **we** have specified in the **offer document**. Apart from any initial fixed rate under the **offer document** the rate may change under condition 10.

- 9.2 **We** calculate interest on a Daily Method described overleaf:

Interest will be calculated on a daily basis on the **debt** at the end of each day. It will be debited to the **mortgage** and payable in arrears on **your** chosen due date. The first payment will be due on the date specified in the **offer document**.

- 9.3 Interest will continue to be charged at the rate applicable to the **debt** even if a court makes an order for possession.

- 9.4 Any unpaid interest may be added to the **loan** at the end of the **year** in which it accrued.

10. CHANGES IN INTEREST RATE

- 10.1 **We** may change the interest rate applicable to the **debt** at any time except during any fixed rate period under the **offer document** giving **you** three days written notice of **our** intention to do so.

- 10.2 **We** will only change the interest rate for one or more of the following reasons:

- (i) to respond to changes or anticipated changes in law, regulation or codes of practice, or to Court or Ombudsman's decisions;
- (ii) to ensure **we** meet all of the requirements of the Financial Conduct Authority, the Prudential Regulation Authority, any other regulators, and any relevant monetary authority;
- (iii) to reflect a change in the way the **property** is used or occupied in accordance with condition 14 (vii);
- (iv) to act upon **our** legitimate commercial interests, including but not limited to:
 - (a) changes in prevailing market rates;
 - (b) costs associated with specific changes in relevant market conditions including technological changes and changes in services or facilities provided;
 - (c) to reflect a change in the credit risk relating to the **loan**.

- (v) If **we** vary the interest rate for any other reason, **we** will notify **you** at least 30 days in advance and waive any early repayment charge payable on **your mortgage** for 60 days starting on the date of the notice **we** send to **you**, to allow **you** to repay **your mortgage** without charge.

11. PAYMENT ON DEMAND

11.1 If an event of default occurs **we** may demand in writing payment of the **debt**, in which case **you** must pay **us** immediately. In the event that **we** call for early repayment of the **debt**, these **conditions, your offer document** and any **mortgage deed** signed by **you** shall continue to apply at all times until the **debt** has been repaid in full. They shall continue to apply even if Judgment in favour of **UCBHL** has been granted in respect of any sum due.

11.2 An event of default occurs for one or more of the following reasons:

- (i) **you** gave **us** wrong or incomplete information when **you** applied for your existing **loan** or any variation; or
- (ii) **you** are more than one **month** late in payment of any money due; or
- (iii) there is a breach of any **term** of the **offer document** or these **conditions**; or
- (iv) a bankruptcy order is made against **you** or **you** enter into a voluntary arrangement, deed of arrangement or other arrangement with **your** creditors;
- (v) the **property** is compulsorily purchased or requisitioned; or
- (vi) **you** abandon the **property**.

12. WHAT THE MORTGAGE COVERS

12.1 The **mortgage deed** secures the **debt** owing to **us** under these **conditions** and any other money **you** owe **us** at any time and which **you** agree can be secured by the **mortgage deed** (this may include any sums that remain outstanding on another mortgage account **you** hold or have held with **us**).

12.2 **We** shall not be obliged to release any **property** as security except where the **debt** or other money owing has been paid in full, or where **we** have agreed to take alternative security.

13. THE PROPERTY AS SECURITY

13.1 The **property** comprises **our** security under the **mortgage deed**. Having taken security over the **property we** have given no assurances that the **property** is free from defects or worth a particular amount. **You** must satisfy **yourself** on these matters.

13.2 In the future **we** shall not be obliged to take any particular property as security, but **we** may agree:

- (i) to take additional property as security, for example in connection with an additional **loan**; or
- (ii) to take alternative property as security, for example on moving house.

13.3 **We** may refuse to release any additional **loan**, instalment or further money to **you** unless any existing mortgage deed or charge in favour of another lender is discharged or postponed.

13.4 Before making any additional **loan**, or on any other variation of your **mortgage** where **we** consider it necessary, **we** may require anyone (other than **you**) who is aged 17 or over and who is or will be in occupation of the **property** to confirm to **us** in writing, in a form approved by **us**, that they agree to **us** making the additional **loan** or variation and to any rights which they may have in the **property** being charged in **our** favour and/or postponed to **our** rights under the **mortgage deed**. This is to protect **our** rights and remedies over the **property** under the terms of the **mortgage deed**.

13.5 **Our** security includes any of the following interests which **you** have acquired or may acquire in the future:

- (i) a new or extended lease of the **property**;
- (ii) an interest in the freehold of the **property** or in the freehold of any building which includes the **property**;
- (iii) an interest over or through neighbouring or adjoining land.

13.6 If **you** acquire an interest under condition 13.5, no later than one **month** after doing so, **you** must:

- (i) Give **us** the title deeds and documents relating to that interest;
- (ii) if asked, give **us** security over that interest in a form approved by **us**.

14. **CARE OF THE PROPERTY**

You must:

- (i) put and keep the **property** in good repair;
- (ii) allow **us** to inspect the **property** at any reasonable time if **we** give **you** notice before hand and to carry out or complete any building or improvement work required for the good repair of the **property** which **you** have failed to do (and if **we** enter the **property** under this condition, it does not mean **we** have accepted the legal responsibilities of a mortgagee in possession);
- (iii) not carry out any structural alterations or additions to the **property** or change its use without **our** written consent and all other necessary consents;
- (iv) ensure that any building or improvement work is properly carried out in accordance with all necessary consents and without delay;
- (v) not do anything at the **property** which would enable the insurer to avoid its liability for insurance of the **property** or to increase the cost of insurance;
- (vi) comply with all restrictions and obligations affecting the **property** or its owner or occupier;
- (vii) not convert the **property** to commercial use or change the way the **property** is used or occupied. If the **property** is converted to commercial use or the use or occupation is changed then the **loan** will be transferred to a variable rate and a higher interest rate that reflects the change in the way the **property** is used or occupied may be charged. Limited commercial use, such as the use of one room as an office, is allowed provided this involves no substantial or permanent alterations to the **property**.

15. **INSURANCE**

15.1 **You** must keep the **property** insured at **your** own expense for its full **rebuilding cost** with an insurer, for the risks and on the terms, **we** approve from time to time. The insurance must be in the joint names of **you** and **us** (even if **you** do not arrange the insurance through **us**) unless the **property** is leasehold and it is the landlord's responsibility to arrange the insurance (in which case **our** interest should be noted under the policy).

15.2 If **you** fail to insure the **property** **we** may but shall not be obliged to do so. **We** may add the cost of such insurance to the **debt** and interest will be charged on this amount.

15.3 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. The settlement money shall be used as **you** may decide either to reinstate the **property** or in or 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 **you** decide to use the money to pay off the **debt** and there is a surplus after the **debt** has been paid, **we** may forward the surplus to a second chargee of whom **we** are aware.

16. LEASES/TENANCIES

- 16.1 Where the **property** is leasehold **you** must comply with all **your** obligations under the lease and not do anything which would allow **your** landlord to forfeit the lease. **You** must immediately inform **us** in writing if **you** receive any notice of breach of **your** obligations from **your** landlord. **We** may rectify the breach on **your** behalf and under these **conditions** any costs and expenses **we** incur in doing so will be added to the **debt** and interest will be charged on this amount.
- 16.2 Where, under any lease under which **you** hold the **property**, it is the landlord's responsibility to arrange insurance of the **property**, **you** must do **your** best to ensure that insurance is in force and it meets **our** requirements under condition 15.1.
- 16.3 **You** must not lease, let, license, part with possession or share occupation of the **property** or any part of it or agree to do any of these things without first getting **our** written consent. Nor should any such existing arrangements be renewed, extended or forfeited without first getting **our** written consent. Such consent may have conditions or be subject to a fee. **We** will only refuse to give **our** consent if it is reasonable for **us** to do so.

17. OUR RIGHTS AND REMEDIES

- 17.1 **Our** power of sale arises on the date of the **mortgage deed you** have previously signed, or on the date of any **mortgage deed you** may sign in the future, and is free from the restrictions in section 103 of the Law of Property Act 1925. However, **we** will only exercise **our** power of sale where condition 11.2 applies.
- 17.2 This condition applies at any time after:
- (i) an event of default has occurred under these **conditions**; and
 - (ii) **we** have written to **you** demanding payment of the **debt**.

Where this condition applies, **we** may do any of the following without notice:

- (i) take possession of the **property**;
- (ii) sell the **property**;
- (iii) appoint a receiver;
- (iv) exercise the other enforcement powers which **we** have under the Law of Property Act 1925.

If **we** do any of these things interest will continue to be charged on the **debt** or any outstanding **debt** following a sale of the **property**.

- 17.3 **Our** powers under the Law of Property Act 1925 and under the general law are extended to allow **us** to do any of the following:
- (i) repair or improve the **property**;
 - (ii) carry out building work at the **property** and apply for any planning permission or other consents which are needed for that purpose;
 - (iii) grant, continue or surrender any leases, tenancies or licenses of the **property** free from the restrictions in section 99 of the Law of Property Act 1925. **We** can also use any income from doing so towards paying off the **debt**;
 - (iv) if the **property** is let, **we** can:
 - (a) bring the lease to an end;
 - (b) agree with the tenant to change the terms of the lease;
 - (c) accept a surrender of the lease, free from the restrictions in section 100 of the Law of Property Act 1925.

- (v) If **you** hold the **property** on a shared ownership lease, **we** can buy the freehold or further shares in the lease, or accept a further lease or direct that these interests be transferred to any buyer of the **property**.

However, **we** will only exercise the extended powers which **we** have under this condition where it is reasonable for **us** to do so to protect the **property** or to sell it on favourable terms, and **we** may add any costs **we** incur to the **debt**.

17.4 If **we** take possession of the **property** then:

- (i) **we** may as **your** agent remove, store, sell or otherwise deal with any goods or animals which are on or come on to the **property**. Any expense **we** incur in doing this will be added to the **debt**. **We** will not be responsible for any loss or damage caused by **our** doing this unless **we** fail to take reasonable care, nor will **our** doing this give **us** any charge over any goods or animals at the **property**;
- (ii) if the **property** is let, **we** may collect any rent being paid by the tenant and use it towards paying off the **debt**.

17.5 If **we** appoint a receiver:

- (i) the receiver will not have to use the money they receive to pay off interest before capital, or otherwise they will have to pay off the **debt** in any particular order;
- (ii) the receiver may employ and pay agents to carry out any work on their behalf;
- (iii) the receiver may exercise any of **our** powers of enforcement (including any extended powers which **we** would be entitled to exercise under condition 17.3).

18. PROPERTY RIGHTS

18.1 So far as **you** are able, **you** assign the **property rights** to **us**. **We** will re-assign them to **you** when the **debt** is paid off.

18.2 If **you** receive any money under any of the **property rights** **you** will hold the money on **our** behalf.

18.3 Any money which **you** or **we** receive under any of the **property rights** must be used to reduce or pay off the **debt**. This does not apply if the money is paid because of a defect in the **property** or damage to it and **you** decide instead to use the money to put right the defect or damage.

18.4 If an event of default occurs under these **conditions** **we** can transfer any of the **property rights** to another person.

19. TRANSFER OF RIGHTS

19.1 **We** may transfer some or all of **our** rights under these **conditions** to another person at any time. **We** will only transfer **our** rights if:

- (i) the other person agrees to exercise the transferred rights in accordance with a statement of policy which **we** approve before the transfer; and
- (ii) **we** reasonably think that the policy described in the statement is no less favourable to **you** than the policy **we** were following before the transfer.

19.2 Unless the terms of the transfer state otherwise, a transferee of **our** rights under these **conditions** will be able to exercise all the rights, powers and remedies which **we** could exercise before the transfer.

19.3 **You** will be bound by any statement of fact which **we** make in the terms of the transfer unless **we** make the statement without taking reasonable care.

20. POWER OF ATTORNEY

You irrevocably appoint **us** and (as a separate appointment) any receiver **we** appoint to be **your** attorney and to do the following in **your** name and on **your** behalf:

- (i) exercise, enforce, defend or dispose of any of the **property rights** and receive any money which becomes payable under them or for them;
- (ii) give any notice and take any proceedings which are needed to exercise, enforce or defend any of the **property rights**;
- (iii) execute any document and do any other thing which is needed to allow any of **our** rights, powers and remedies under the **mortgage deed** to be effectively exercised, enforced or defended. This would include giving and receiving information with any second mortgagee, housing association or freeholder who has an interest in the **property**;
- (iv) execute any document and do anything needed to remedy any failure by **you** to meet these **conditions**.

21. GENERAL

- 21.1 **We** may give **you** notice, or make a demand, under these **conditions** by posting it addressed to **you** by name at the address **you** have given **us**, (in which case **we** can assume that **you** will have received the notice or demand 48 hours after posting.) Any correspondence, demand or written issued by electronic means (facsimile or email) shall be deemed received by **you** on the day it was sent.
- 21.2 The **offer document** and **mortgage deed** shall be governed and interpreted according to the law of England and Wales, and are subject to the jurisdiction of the Courts in England and Wales. This will not, however, prevent **us** from seeking to enforce the provisions of the **offer document** and **mortgage deed** in the courts of any other competent jurisdiction.
- 21.3 Each provision of the **offer document**, **mortgage deed** and these **conditions** is severable which means that if ever any of them is or becomes invalid, illegal or unenforceable, the others will not be affected and will remain valid.
- 21.4 Any omission, failure or delay on **our** part in exercising any of **our** rights under the **offer document**, **mortgage deed** or these **conditions** shall not prevent **us** from doing so either later or on another occasion.
- 21.5 **We** may record or monitor telephone calls in order to avoid possible misunderstandings and help maintain customer service.
- 21.6 **You** consent to **us** obtaining information contained in file documents held by **your** legal advisor which is relevant to the **mortgage deed**, the **property** or the **mortgage**.
- 21.7 When all the **debt** due under the **mortgage** has been repaid to **us**, the **mortgage deed** representing **our** security will be released.
- 21.8 **You** will not become a member of Nationwide Building Society by having a **mortgage** with **us**.

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

UCB Home Loans Corporation Limited (UCBHL) is a wholly owned subsidiary of Nationwide Building Society and is authorised and regulated by the Financial Conduct Authority under registration number 303556. Most buy-to-let mortgages are not regulated by the Financial Conduct Authority.

You can confirm our registration on the FCA's website [fca.org.uk](https://www.fca.org.uk)

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Company Registration Number 1063539.

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