



# **INFORMATION ABOUT YOUR MORTGAGE**

**Important information for you to  
keep and refer to**

# Information about your mortgage

This booklet is sent to you with your mortgage offer so you can read it before you enter into the mortgage. You will also find it useful during the lifetime of your mortgage.

It is important that each person named in the mortgage reads this booklet because the obligations imposed by the mortgage conditions will apply equally to all of them. If you have any questions about anything in this booklet or any mortgage related matter not covered by it, please contact us.

You will also have received a mortgage conditions booklet, which sets out the meanings of some special words and phrases. These meanings also apply when we use the words in this booklet and in your mortgage offer.

This booklet does not explain all the provisions of the mortgage conditions which will govern your mortgage and it does not replace them, although we set out a summary of the main points of the mortgage conditions in section 1.

However, the booklet does explain our present practice and procedures which apply to mortgages for buying a home, and remortgages, where we charge interest rates that can change. These practices and procedures may change from time to time in the future.

Some of the practices and procedures in this booklet may not apply to your mortgage. If this is the case, we will tell

you in your offer which your or our conveyancer will explain to you.

We may withdraw or change an offer if any of the following things happen:

- we believe there is a fraud;
- we have been told something which is untrue or misleading;
- our conveyancer cannot certify that the legal details of the property are satisfactory;
- you do not keep to any of the conditions in the offer;
- at the time we intend to lend you the money, the value of the property is less than the amount of the loan;
- your personal circumstances change in such a way that, if they had been the circumstances when you applied for your mortgage, they would have influenced our decision to lend. For example, if you lose your job between the mortgage offer and the time you take out the mortgage;
- where the availability of one or more of the products set out in the offer is dependent on the loan amount being no more than a given percentage of the value of the property. If that value goes down before you take out the mortgage so that the loan amount exceeds that percentage, we can

withdraw any affected product and you will have to choose a new one from our range to replace it that meets the new loan to value percentage;

- where the availability of one or more of the products set out in the offer is dependent on our assessment of your financial circumstances known as a credit score. If your credit score changes before you take out the mortgage so that it does not correspond to the product requirements, we can withdraw any affected product and you will have to choose a new one from our range to replace it that corresponds to the new credit score.

We tell you in your offer how long it is valid for. If you want to make any changes to your offer before the expiry date, we will reassess your application at that time. We may ask for additional information and/or up to date documentation, such as a new valuation, at any time.

## 1. Summary of the mortgage conditions' main points

*You agree:*

- to pay your monthly payments on time;
- to pay your property insurance premiums on time;
- that if you have chosen an interest-only mortgage, you will pay your policy premiums or payments under the policy or plan on time;
- to keep your home in good repair;
- to get our permission before altering or extending your home or changing the way you use it;

- to keep to any restrictions mentioned in your title deeds/ documents and all planning laws and building regulations;
- to repay all the money you owe us under your mortgage at the end of the repayment period.

*We may:*

- insure the mortgaged property (at your expense) if you do not insure it. We may also ask for details of cover if you have arranged your own insurance;
- if you miss two or more monthly payments, ask a court for an order so we can sell your home. If we have to sell your home, we must sell it for the best price we can reasonably get;
- recover any loss from you if we sell your home for less than the money you owe us.

*Joint mortgage:*

- if two or more people take out a mortgage jointly, they will both be named in the mortgage deed as borrowers. This means that each of them is responsible for making the payments. We can recover any loss from each of them;
- the mortgage conditions apply equally to each person named in the mortgage deed.

*Other important points:*

- our mortgage on your property must be a first mortgage and rank ahead of any other mortgages on your property;
- you can ask us if you want to borrow more money from us, for example for improvements to your home;

- you may repay the money you owe us under your mortgage at any time without paying extra charges (unless we say otherwise in any mortgage offer to you or in any other agreement with you). With certain types of mortgage (for example capped, discount, fixed or tracker rate mortgages), if we say so, you will have to pay an extra charge called an early repayment charge. You will have to pay this if you repay some or all of the money you owe us before the date or dates set out in your offer or any other agreement with us. The mortgage conditions explain when you have to pay the early repayment charge and we give further details in section 13 of this booklet;

#### WARNING

***This is only a summary. It does not replace or override the conditions governing your mortgage. You must ask your conveyancer to explain the conditions and the other terms of your mortgage.***

***Unless the interest rate on your mortgage is a fixed rate for a period, the interest rate on your mortgage can go up as well as down.***

***Please remember house prices can go down as well as up. If you owe more than the current value of your home, you will be in negative equity. If you need to move home and sell your property, and if its value has dropped below what you paid for it, there may be a shortfall, between the amount you owe on your mortgage and the amount you get for the sale, which you need to repay.***

#### 2. Roll number

Your roll number is at the top of your offer, for example A/12345678-9. You should use the roll number whenever you write to us or contact us. This is because we use it to identify all our records about your mortgage.

#### 3. Higher Lending Charge

You may be required to pay a Higher Lending Charge to enable us to consider applications for loans which represent a high percentage of the value or purchase price of the property. Lending a higher percentage involves a greater risk for us. By collecting a Higher Lending Charge, we protect ourselves against that risk. You pay a single fee for this.

This arrangement does not protect you if, in the future, we have to take your property into possession and can only sell it for less than the amount you owe. If this occurs you will remain liable to pay all sums owing, including arrears, interest, legal fees, and selling fees.

Where we require a Higher lending Charge, we tell you the amount of the fee in your Key Facts Illustration and offer. We will add the fee to your mortgage account on the date when you take out the loan. Shortly after that, we will write to tell you the amount of any fee due. If you do not pay the fee requested within 14 days, we will charge you interest on it. This will increase the cost over the lifetime of the mortgage. In addition, the next time we review your monthly payment, for example, at an interest rate change, we will include any unpaid fee and accrued interest in your mortgage balance and calculate your new payment to repay this amount over the remaining term of your mortgage. This may mean that your monthly payment increases, even if the

interest rate decreases.

If, within 6 months of taking out the mortgage, you repay a sum which reduces your balance to below 75% of the valuation, meaning that we no longer require a Higher Lending Charge, we may agree to refund part of the charge. This only applies if you tell us, before you take out the mortgage, that you intend to do this. We will not give you a refund if you pay off the loan in full.

#### 4. Building standards indemnity schemes

We require, as a condition of the loan, that a newly built property (or one being occupied for the first time) has the benefit of a 10 year warranty. The warranty can be from the National House Building Council, or Zurich Municipal Insurance or any other organisation we approve. If Zurich provides a warranty, it may extend it to 15 years in some circumstances.

Conveyancers will explain the full details of these schemes.

The only exception to this is where in certain cases an acceptable consultant supervises the building work. In these cases we need to inspect a certificate of supervision.

Any existing or future responsibility for the road or the services which serve the property must be provided for. There must either be an agreement with the highway or other relevant authority, backed by a suitable bond, or money deposited with that authority. If not we may need to keep back some of the amount we will lend.

#### 5. Repayment Mortgage

With this repayment method, part of each monthly payment pays off interest and part capital of the loan. We will work out the monthly payment so you will repay the loan and the interest within the number of years and on the terms we state (see 'How we calculate your repayment period' below). This, however, depends on you paying any additional payments which may be necessary when we ask you to.

Examples of additional payments are initial interest and the Higher Lending Charge and insurance premiums.

We will work out the monthly payment so it covers the interest we charge in each month and part of the debt.

However, any additional unpaid items will cause the amount owing at the end of the accounting period to be more than it would otherwise have been. This may result in higher monthly payments or a longer repayment period.

We have set out the initial monthly payment in your offer. This is the amount you need to pay us so you pay off your loan over the repayment period (see below) at the rate(s) of interest stated in the offer.

#### How we calculate your repayment period

In the month you have taken out your mortgage we ask you to make a 'one-off payment' consisting only of interest (see Section 10B, Initial Interest). We then ask you to start making capital and interest payments from the month after your mortgage completes. For example, if your mortgage was for 10 years, you would make 1 payment of initial interest and 120 payments of capital and interest.

## 6. Interest-Only Mortgage

An interest-only mortgage is a loan supported by an investment plan or plans, for example, an endowment policy, a pension plan or an Individual Savings Account (ISA). If we have allowed you to have an interest-only mortgage and certain other conditions are met, you will only have to pay interest on the debt plus any additional items. For example the Higher Lending Charge and insurance premiums.

You pay interest to us each month and will not normally have to pay off any of the debt until the proceeds of the plan are to be paid. You must make the payments due on the plan unless we have set out alternative arrangements in the offer.

We have set out the conditions relating to an interest-only mortgage in the mortgage conditions. If you do not keep to these, we may need to change the monthly payment you pay us. This is to make sure you pay off all the money you owe us within the term of the mortgage.

*It will be your responsibility to make sure that a suitable plan is in place to support the amount of mortgage on which you pay us interest only. It will also be your responsibility to make sure you make all payments when due direct to the plan provider so that the plan is kept up to date. It is important that you ensure payments are made, for example, by checking your bank statement each month, checking the annual statement for the plan or contacting the plan provider. If you do not make the payments, the plan will not pay out enough to pay off the mortgage and you may lose all or part of any life cover available. As the plan is a separate arrangement, the plan*

*payments are not included in the monthly mortgage payments. You must also check regularly, with the plan provider, that the plan is on target to repay the amount of your mortgage on which you pay us interest only.*

We expect you to pay off your mortgage from the proceeds of the plan. Anything left after you have paid off the mortgage will belong to whoever is entitled under it. The maturity value of the plan may not be enough to pay off the loan at the end of the repayment period. This is more likely if you do not pay such items as a Higher Lending Charge or property insurance premiums when we ask you to.

Please note that we do not take a formal mortgage over any plan. If you should die, the plan provider will pay any proceeds in accordance with the terms of the plan. This means the proceeds will not automatically be used to pay off the mortgage. We therefore strongly recommend that you discuss this with your conveyancer. This is so you can make arrangements to make sure the plan proceeds are used to pay off the mortgage.

If you surrender or sell a plan before it has run its term, you will usually get a lower sum. In the early years you may not receive anything at all. If you do receive some money, it may not cover what you have paid and will probably not be enough to pay off the mortgage. If you surrender, sell or cancel a plan, or want to change the amount on which you pay us interest only, it is important that you tell us straight away. You may have to pay us the money you get and we may change your loan to a repayment mortgage. This will probably mean your monthly payments will go up so you pay off all the money you owe us within the repayment period. If you do

not tell us, there may not be enough money to pay off the interest-only part of the mortgage at the end of the mortgage term.

Unless we say otherwise, you can combine different mortgage types (for example, part interest-only and part repayment).

Where only part of the loan is supported by an investment plan the monthly payments will consist of:

- interest only on part of the loan covered by the plan; and
- capital and interest on the part not covered by the plan.

We show the required monthly mortgage payments in the offer.

*If you are arranging a new plan to use with your mortgage, it is very important that you make sure that you start the plan on or before the date you enter into the mortgage. You can do this by contacting your financial adviser, if your plan was arranged this way, or by contacting the plan provider direct. If you are taking out your mortgage to buy your home, it may be necessary to start the plan when you are legally committed to buy. You must check this with your conveyancer.*

## 7. Life assurance

*Whatever repayment method you choose, we strongly advise you to consider life cover to protect your dependants if you were to die during the lifetime of the mortgage. You should confirm the position with a Financial Planning Consultant or Independent Financial Advisor.*

## 8. Monthly payments

Soon after the start of your mortgage, we will send you a letter giving details of your payments.

### A. The monthly payment

On the day you take out your mortgage, we will write and tell you what interest rate(s) apply to your account and provide details of your monthly payment. We will collect your monthly payment on your preferred payment date, except that, if you chose a preferred payment date of 29th to 31st of the month, we will collect the payment on the 28th of each month. (See section 8C for details about collection of your first and subsequent monthly payments).

Your monthly payments can change, for example when there is a change in interest rate.

### B. Initial Interest

If our annual interest method applies to your mortgage, we charge you interest on the amount we lend you for the number of days from and including the day you take out the mortgage to the following 31st January. We charge interest after that in the way we have set out in section 11. However, because you make one payment in each complete calendar month the amount you will pay in interest during this period will be less than the amount we actually charge. If we did not collect the difference (known as initial interest) you would pay it over the whole term of the mortgage which would cost you an additional amount of interest.

We will collect the initial interest automatically using direct debit (see section 8D) from your bank or building society account. When we will do this depends on when you take out your mortgage (see section 8C) providing you have given us the appropriate authority. Where you have taken a capital and repayment or part repayment/part interest-only mortgage, the initial interest does not include any element of capital.

If our daily interest method applies to your mortgage, the same principles we have set out above apply, although the accounting period is different. In some cases we will collect the initial interest in the month after the month during which you take out your mortgage. Where this happens there will be a small amount of interest due on the initial interest. We will collect this during the life of the mortgage.

### C. First and subsequent payment collection dates

Depending on when in the month you take out your mortgage, we will collect your initial interest, together with your first and subsequent payments as follows:

- mortgage taken out on 1st - 9th - we will collect initial interest 14 days after the date of your mortgage. We will then collect your first monthly payment on your preferred payment date in the month following the month during which you took out your mortgage. We will collect subsequent monthly payments on your preferred payment date each month after that;
- mortgage taken out on 10th - 17th - we will collect initial interest and the first monthly payment on your preferred payment date in the month following the month during which you took out your mortgage. We will collect subsequent monthly payments on your preferred payment date each month after that;
- mortgage taken out on 18th - 31st - we will collect initial interest and the first monthly payment 14 days after the date of your mortgage.

We will collect the second monthly payment on your preferred payment date in the 2nd month following the month during which you took out your mortgage. We will collect subsequent monthly payments on your preferred payment date each month after that.

### D. Method of payment

You must make your payments by direct debit from a suitable bank or building society account. If you have not already completed a direct debit instruction, you should ask us for a form.

#### The Direct Debit Guarantee:

- this guarantee is offered by all banks and building societies that take part in the Direct Debit Scheme. The efficiency and security of the scheme is monitored and protected by your own bank or building society;
- if the amounts to be paid or the payment dates change, we will notify you 10 working days in advance of your account being debited or as otherwise agreed;
- if an error is made by us or your bank or building society, you are guaranteed a full and immediate refund of the amount paid;
- you can cancel a direct debit at any time by writing to your bank or building society. Please also send a copy of the letter to us.

### 9. Mortgage Protection Cover

**It is important you consider how you would meet your mortgage repayments if your circumstances were to change.**

Mortgage repayment protection covers

you in case you fall ill, have an accident or lose your job (through no fault of your own). If any of these things happen, the cover provides protection for your residential mortgage payments plus an additional amount for mortgage related outgoings (subject to the conditions of the plan).

Whatever repayment method you choose, we strongly recommend you to consider life cover to protect your dependants should you die during the lifetime of the mortgage.

Critical illness cover will give you protection and pay out a lump sum if you are diagnosed as having one of the named critical illnesses.

Your mortgage intermediary may be able to give you details of products which will provide you with these types of cover.

## 10. Repayment Periods

When you take out a mortgage, you can choose to repay the loan over a period of up to 40 years. If you wish the loan to extend beyond your retirement age you must make sure that you will have sufficient income to allow you to maintain your payments until you have repaid the loan.

## 11. Interest

We can work out the interest you have to pay us on your mortgage in one of two ways. These are our annual interest method and our daily interest method. We say in the offer which of these two methods applies to your mortgage account.

### Annual Interest Method

With this method, the accounting period is a year. The accounting year we currently use for mortgage accounts runs from 1st February to 31st January. We add the interest we charge during the

year to the mortgage account on 31st January each year. We work out the interest we charge on the following principles:

- we charge interest on any amount we lend (including the initial amount and any further advance) worked out on a daily basis from the date we add any loan amount to the mortgage account. We charge interest on any unpaid fees from the day after we have added them to the mortgage account;
- we also charge interest on a daily basis for the whole accounting year on the amount owed to us on 1st February each year;
- if we have kept back any part of the loan for any reason, we will not charge interest on that part until we have released it. If you pay off part of the capital during the course of the year, it will not affect the amount we charge interest on until the end of the accounting year.

### Daily Interest Method

With this method, the interest we charge takes account of any changes in the amount you owe us under the mortgage from day to day. We work out the amount on which you will pay interest for each month at the end of the previous month. This means the accounting period is a month. However, it is a daily interest method because, in working out the amount on which we charge interest, we take account of any amounts added to or paid off the account on a daily basis. We work out the interest we charge on the following principles:

- we charge interest on a daily basis for each month on the amount owed to us on the last day of the

previous month. In working out the amount owed to us, we take into account any amounts added to or paid off the account during the month but on a daily basis;

- this means that, where we have lent you money (including the initial amount of the loan) during the month, we take this into account so you pay interest on it from the day we lend it;
- where you have paid off part of the amount you owe us, we take this into account so it reduces the amount on which you pay interest from the day after the date we receive the payment;
- where the amount you owe us goes up, because, for example, we have added unpaid fees or charges to the mortgage account, we take these into account so they affect the amount on which you pay interest from the day after the date we add them to your mortgage account;
- if we have kept back any part of the loan for any reason, we will not charge interest on that part until we have released it.

*If under either the annual or daily interest methods, anything is unpaid at the end of the accounting period, for example a fee or some or all of the monthly payment, the unpaid amount and any interest which has accrued on it will be included in the amount on which we charge interest after that. If you do not wish to incur interest charges unnecessarily, you should pay fees and charges as soon as they are incurred. Interest will not be charged on the Mortgage account fee (see section 13 of this booklet).*

## Interest Rates

In accordance with the mortgage conditions, we will give you notice of any change in the TMB Standard Variable Rate or tracker base rate and any rates linked to them, like a discounted, capped or tracker rate. (See Interest Rate Change section below). Most of our tracker rates have a tracker base rate linked to the Bank of England base rate. Details of the current Bank of England base rate can be found on the Bank of England website at [www.bankofengland.co.uk](http://www.bankofengland.co.uk) or in the Financial Times or other leading newspapers.

The TMB Standard Variable Rate is the interest rate we charge on your mortgage account where another type of rate (for example, a fixed, capped, discounted or tracker rate) does not apply or no longer applies. If the level of this changes between the date of your offer and the date when you take out the mortgage we will not notify you. We will, however, confirm the level of the TMB Standard Variable Rate that applies when you take out the mortgage. Provided you keep to your obligations under the mortgage conditions and the offer, fixed rates will not change during the periods when they apply. The rate we charge on a capped rate loan may change when the rate to which it is linked is less than the capped rate. The notice may be in the form of an advertisement in national newspapers or a notice which we send to you. The new rate of interest will take effect from the date we say in the notice.

We will charge interest at the rate(s) which applies to the mortgage from and including the date when you enter into the mortgage. The conveyancer dealing with your mortgage will tell you when this is.

### Increased Mortgage Debt

If the mortgage debt goes up to an amount greater than the total of any fixed, capped, discounted, added or tracker rate amount(s) we set out in the offer, we charge interest on this difference at either the TMB Standard Variable Rate or a rate currently being charged on the mortgage.

### Decreased Mortgage Debt

If your mortgage debt goes down for any reason (except where you have paid off part of your debt), we will apply the reduction to different parts of your debt in the following order:

1. to any amount we charge interest on at the TMB Standard Variable Rate;
2. to any amount we charge interest on at discounted or tracker (excluding capped tracker) rates;
3. to any amount we charge interest on at capped (including capped tracker) or fixed rates; and
4. for customers who will pay us a Mortgage account fee also see section 13 of this booklet.

We may charge interest on different parts of your mortgage debt at two or more discounted, tracker, capped or fixed rates. If so, we will apply the reduction to different parts of your debt in the following order:

1. to the part of the debt on which we charge any discounted or tracker rate, starting with the part subject to the discounted or tracker rate with the latest product start date;
2. to the part of the debt on which we charge any capped or fixed rate, starting with the part subject to the capped or fixed rate with the earliest product start date.

Each of the different parts of your mortgage on which we charge a

different rate has a number which we call a product number. We set out these numbers in your mortgage offer. We may charge interest on your mortgage at two or more interest rates which have the same date. If so, we will apply the reduction first to the part of the debt with the lowest product number, for example FRP055 before FRP058.

If you have taken out a further advance, we will apply any reduction to that first following the order we have set out above.

### 12. Interest Rate Changes

We will give you notice of any change in the TMB Standard Variable Rate or if the tracker base rate changes. When we do this, we will write to advise you of your new monthly payment.

Even when the interest rate decreases, your monthly payment may increase. There may be several reasons for this, although the most likely are:

- one or more missed payment(s) or an amount received which is less than the monthly payment;
- A Higher Lending Charge that we have added to your balance (see section 3);
- administration charges which we have added to your balance that you have not paid, for example, a property inspection fee;
- any interest you owe us following a recent mortgage or further advance. In the month you take out your mortgage or further advance we ask you to make a 'one-off payment' consisting only of interest (see section 8B Initial Interest). If this payment is not made it is included in your outstanding balance;

- if you have taken a payment holiday on your account.

### **Customers who pay interest at a fixed rate**

If your mortgage is on a fixed rate, we may change your monthly payment when the TMB Standard Variable Rate changes, even though the interest rate you are charged will not change. For example, your balance may have increased. We recalculate your monthly payment to ensure your account is repaid over the remainder of the agreed term.

### **Customers who pay interest at a tracker rate**

If your mortgage is on tracker rate it will be a set percentage less, more than or equal to the tracker base rate. Our tracker rates move in line with the tracker base rate. The tracker base rate is directly linked to a rate which can go up and down but which we do not set. This is the Bank of England base rate (also known as the Bank of England Bank rate). Details of this rate can be found on the Bank of England website or in the Financial Times or other leading newspapers.

The interest rate that applies to the part of your mortgage which is on the tracker rate (the tracker rate loan) can be no lower than 0%. If your tracker rate tracks below BBR and BBR falls to a level which means your tracker rate is 0%, the tracker rate loan will be interest-free. Where the tracker rate loan is wholly interest only, a nominal monthly payment will apply. As the tracker rate loan is interest free, such nominal payments will be applied in full against the capital amount outstanding. If BBR goes up again so that your tracker rate is above 0%, we will start charging interest on your tracker rate loan again at the tracker rate.

### **13. Mortgage Account Fee**

We will tell you in your mortgage offer if we will charge you a Mortgage account fee. The fee covers the setting up, routine maintenance and closing down of the mortgage account. The fee is part of the price of the mortgage. It is fixed and we cannot change it without your agreement. The fee becomes payable on completion of your mortgage and will be added to the loan. We will not charge interest on this fee. We will give you a fixed rate product equal to the amount of the Mortgage account fee. This product will remain at 0% for the whole term. Even if you pay the fee, you will still retain the benefit of this product.

For details of other fees we charge in connection with your mortgage please see section 31.

### **14. Early Repayment Charges**

*All the sections in this booklet are important but this section is particularly important. You should read it carefully and make sure you understand it.*

#### **What they are**

We offer different types of mortgage deals and special mortgage rates. For example, we offer fixed rates, tracker rates, discounted rates, capped rates and cashbacks. We call these rates 'special rates' and we call mortgage deals with special rates or cashbacks 'mortgage products'. With some of these mortgage products you have to pay a fee if certain things happen in the early years of the deal. We call this fee an early repayment charge.

#### **Why we charge them**

We charge these fees because we set up the funds for these deals and set our special rates expecting that you will keep your loan for a set period. There is

therefore a cost to us if some or all the loan is paid off sooner than expected. The fee compensates us for that cost.

### **When we charge them**

We say in your offer if a repayment fee applies to one or more of the mortgage products you have chosen. The early repayment charge applies for a set period. We say in the offer how long this period is. The charge is a percentage of the loan. This percentage changes during this period. This reflects the fact that the cost to us of the loan being paid off early changes during the period. We set out the percentages and the amounts of the early repayment charge in the offer. We also set out the dates up to which the early repayment charges are payable.

You will have to pay us the early repayment charges if any of the following events happen on or before any of the early repayment charge dates set out in the offer:

- you repay any of the money you owe us;
- you, we or anybody else sell the mortgaged property. (If this happens, we will add the early repayment charges to the amount to be paid to us, or kept back by us out of the proceeds of the sale);
- you have to pay us all the money owed to us immediately because you have not kept to one or more of the mortgage conditions.

The early repayment charge date which applies is the one immediately after the date on which any or, if more than one, the first of these events happen.

If you repay part of the amount you owe us, you will have to tell us if you are repaying a TMB Standard Variable Rate, a special rate loan, or an added rate loan. (If you do not tell us, we can decide

which part of the amount you owe us you are repaying). You will have to pay us part of the full early repayment charge equivalent to the part of the amount you owe us that you are repaying.

As a concession with our products, in any 12 month rolling period, you may repay up to 10% of the amount outstanding on the special rate part of your mortgage without having to pay an early repayment charge. The total of any previous part repayments made during the 12 month rolling period, including the proposed part repayment, must not exceed 10% of the amount outstanding on the special rate part of your mortgage at the start of the 12 month rolling period. Any unused concession from a previous 12 month rolling period cannot be carried forward. You cannot take advantage of the 10% concession if you are repaying all of the money you owe us. We reserve the right to change or withdraw this concession.

When you make the payment you must tell us that you intend it to be a part repayment of capital to ensure that the concession is taken into consideration when calculating the early repayment charge.

If you have Flexible Options and you repay part of the amount you owe us, during the early repayment charge period, we will not charge you an early repayment charge at that time. However, you will have to pay us the full early repayment charge if you pay off or transfer all of the amount you owe us before the end of the early repayment charge period.

We may agree to let you transfer your mortgage loan from one mortgage product to another. You may want us to do that so, for example, you pay interest

at a different rate or in a different way. If we agree to let you transfer, you will have to pay us an early repayment charge as if you were repaying the amount transferred.

### ***When we don't charge them***

Even where our offer says an early repayment charge applies, we do not charge it if some or all of the amount owed to us is paid off because a successful claim on a critical illness policy has been made or a borrower has died providing the mortgage is secured on the main residence of the borrower.

If you have a special rate loan and you pay off your mortgage because you are moving home, you may not have to pay the early repayment charge. If you pay off your mortgage between the end of the period when the special rate applies and the end of the period when the early repayment charge applies (where this is longer) you will not have to pay the early repayment charge as long as you are moving home and you take out a new mortgage with us on the same day that you repay the old mortgage. However, if you pay off your mortgage during the period when the special rate applies you will always have to pay the early repayment charge, except where you are carrying the mortgage product forward (see next section).

We will decide whether we will offer you a new mortgage based on our lending criteria at that time. If we do not offer you a new mortgage, the early repayment charge will still be payable.

## **15. Payment Holidays**

This section does not apply to mortgages with Flexible Options, which have separate arrangements.

As long as your account is no more than one month in arrears and your mortgage

is at least three months old, you can apply for a Payment Holiday providing:

- no payment arrangements have been made in the last six months;
- the total outstanding debt doesn't exceed the maximum lending limit for the type of loan;
- the mortgaged property is your main residence, and is not rented out.
- no second mortgage or subsequent charge has been registered from another lender;
- you are not currently claiming on Mortgage Repayments insurance policies;

You can have up to 6 months of payment holidays in total throughout the term of your mortgage. You cannot apply for a product transfer or a further advance during a Payment Holiday. Payment Holidays only apply to the monthly mortgage payment. Insurance, life assurance and Mortgage Repayments Insurance must continue to be paid. At the end of the Payment Holiday, a new monthly payment will be calculated on the total mortgage debt including the suspended payments. These features would increase the amount of borrowing secured on your home.

## **16. Annual mortgage statement**

We will send you an annual mortgage statement 12 months after you have taken out your mortgage. You will then receive a statement around the same time yearly. You should check this to make sure all the details are correct. If you wish to query anything, you should contact us. In case of difficulty you should write direct to TMB, PO Box 548, Leeds, LS1 1WU.

We will remind you each year of the

basis on which you repay your mortgage. If any of the details are wrong you must tell us immediately.

### 17. Property insurance

*Your property is the security for our loan and must be adequately insured at all times.*

It is your responsibility to ensure that the property is insured and the premiums are kept up to date.

The insurance arrangements must comply with the requirements set out in the mortgage conditions. We can arrange insurance or you may wish to make your own arrangements. Please contact us for more details.

#### **Halifax General Insurance Services Ltd**

If you take out Home Insurance with HGISL, they will send you a Policy Booklet. Please refer to this for full details of what is and what is not covered under your policy.

The insurance HGISL arrange provides comprehensive cover against a wide range of risks. They will also deal with any claim you may make.

#### **Buildings Insurance**

Your property will be insured from the date you exchange contracts to buy it (in Scotland - on conclusion of missives) unless you already own the property. In that case, they will arrange cover from the date you take out the mortgage. If you wish insurance to begin at a different time, please contact HGISL.

Sometimes investigations reveal structural defects in the property. If that happens we may not release the loan until the defects have been rectified to the satisfaction of our valuer. If that is the case cover will only begin when the work has been completed, or on the date of exchange of contracts, whichever is the latter. Damage to your property

arising before this date will not be covered. If you already own the property and wish cover to begin before you take out the mortgage, HGISL can only arrange this from the date the work has been done to our satisfaction.

If your property will be unoccupied for more than 60 days in a row cover will be restricted. However, HGISL may be able to put in place full cover if you pay an extra premium. For further information, please contact HGISL.

You should tell them as soon as reasonably possible if there are any claims for damage to your property. If the claim arises from the actions of thieves or vandals you should also tell the police immediately.

#### **Sum insured**

Where HGISL arrange the insurance for you, they will insure the buildings for the full rebuilding cost. Remember that the market value of your buildings may bear no relationship to the cost of their replacement.

The level of cover for which your buildings are insured will represent the full cost of rebuilding all the buildings in the same form, size, style and condition as when new. This will include the cost of complying with local authority and statutory requirements, fees and related costs.

Even with a recently built property, the work involved in reinstating it may be more than the cost of building it, especially when the property is on an estate.

If you make other arrangements to insure the property, the level of cover must represent the full reinstatement value.

## Contents insurance

The property insurance we refer to is for buildings only - it does not cover the contents of your property. We strongly recommend you to insure the contents of your property and your personal belongings. Please contact us if you would like HGISL to arrange this.

## 18. Title Deeds/Documents

The title deeds/documents are the legal documents relating to your property. We hold them until your loan is repaid. If you want to check anything in the deeds/documents before then, please contact us and we will send them to your conveyancer for you to look at. We may charge a deeds despatch fee whenever title deeds are despatched (see section 31). We will also provide copies of, or extracts from, the deeds if you or your conveyancer ask us to. Conveyancers may make a charge for any work they do for you and we will charge you a fee to cover photocopying, administration and postage (see section 31.) Please note we do not hold Title Deeds for any properties registered at H M Land Registry on or after 13th October 2003.

## 19. Death of a borrower

If one of the borrowers dies before the mortgage is paid off, the person entitled to the property may want to occupy it and take over the responsibilities under the mortgage. In these circumstances we will consider a request to transfer the outstanding mortgage to this person, who must agree to take over the responsibilities under the mortgage. If some or all of the mortgage is paid off as a result of the death of a borrower, we will not charge the early repayment charge, providing the mortgage is secured on their main residence.

## 20. Transfer of the property

If we agree in writing, you can transfer the ownership of the mortgaged property to someone else or into the joint names of you and someone else. Any person to whom the property is transferred must agree to keep to the mortgage conditions.

We charge you a fee for agreeing to this (see section 31).

## 21. Occupation of the property by people other than the borrower

Everyone who is 17 or over who is not an owner of the property but is to live with you at the property must sign our form of consent to mortgage. Our conveyancer has to make sure that they do.

Unless you get our written permission beforehand, you must not create any tenancy (or part with or share the occupation or possession) of the mortgaged property. Any such tenancy or occupation could mean the property is worth a lot less.

If you would like details of our letting policy, please contact us. We will then set out the conditions that apply to our letting policy including any fees that are applicable.

If you have applied for a "Buy to Let" mortgage we will give our permission to you letting the property. We will set out the conditions that apply to any letting in the mortgage offer.

## 22. Sale of the property

You may sell the property at any time provided you pay off our loan(s) on or before the day the sale goes through. Your conveyancer will arrange for the loan to be paid off.

### 23. Part or full repayment of the loan

Subject to what we say in your mortgage offer, you may pay off all or part of the loan at any time. We only charge interest up to the date you repay unless we say otherwise in your offer (but see the last paragraph in this section).

If you pay off all the loan, unless your conveyancer or some other person is dealing with the repayment for you, we will arrange to deal with the discharge formalities unless you advise us otherwise. Where we hold your title deeds, and these are requested, we will send them to you.

#### Costs associated with part or full repayment of the loan

If you pay off all the loan, we may charge a Repayment Administration fee. If we charge a Repayment Administration fee, we will tell you the amount of the fee and whether it is variable in your most recently accepted mortgage offer, further advance offer or mortgage product transfer offer. The amount of this fee, if applicable, will also be shown in your Annual Mortgage Statement. This fee will be waived if the mortgage has run its full term (including any agreed extension and/or term applicable to any further advance) (see section 31).

You may have to pay any fees or charges we pay to any third parties involved in repayment of your mortgage, for example, legal fees or fees payable to any land registry.

Where we hold title deeds, we may charge you a fee for despatching your deeds (see section 31).

Also, if you have chosen a special rate loan or we have given you a cashback, we may charge you an early repayment

charge if you pay off all or part of the debt within a certain period. We say if you have to pay an early repayment charge in the offer (and also see section 14).

### 24. Repair of the property

It is a condition of the mortgage that you keep the property in a good state of repair.

### 25. Alterations to the property

You must not make any alterations to the property or change its use without our written permission. If you are thinking about making alterations, please send details to us before you begin. Remember that alterations to, or changes in the use of, the property may need planning permission and building regulations approval (building warrants in Scotland). They may also need the approval of another person if the title deeds say so.

### 26. Commission

We keep any commission received, paid or allowed on any insurance arranged through us or any subsidiaries or associated companies.

### 27. Scotland

If the property is in Scotland, when we refer to the mortgage conditions we mean the schedule of variations and standard conditions. Other expressions or words which do not apply in Scotland will, in Scotland, have the meaning which most closely resembles the equivalent expression or word used in Scotland.

### 28. Mortgage fees

We charge certain fees in connection with mortgages. We will send you information about these fees each year (except where there have been no changes and no new fees introduced).

We will also notify you of any changes in fees at the time when you ask for or receive the service for which we charge a fee.

The fees are set out in the section below and, unless we state otherwise, can change from time to time.

An asterisk\* indicates fees that are not applicable if we charged you a Mortgage account fee on completion of your mortgage, or if we have not charged the mortgage account fee because of the product(s) you chose.

We recommend that you pay in full any mortgage fees we debit to your account with the exception of the Mortgage account fee, which does not incur any interest. We charge interest on all other fees or part of fees that remain unpaid and this will increase the cost over the lifetime of the mortgage. In addition, the next time we review your monthly payment, for example at an interest rate change, we will include any unpaid fee and accrued interest in your mortgage balance and calculate your new payment to repay this amount over the remaining term of your mortgage. This may mean that your monthly payment increases, even if the interest rate decreases.

In addition, you will have to pay any costs we pay to third parties that we may instruct to recover any money owed to us or to create or protect our security or in using our legal rights. Examples of costs we pay include:

- fees we pay to external agencies who counsel customers on arrears;
- solicitor's charges.

We will advise you before we instruct a third party.





Service or application	Fee
*Deeds Despatch Fee	£50
<p>*If we charge a Repayment Administration fee, we will tell you the amount of the fee and whether it is variable in your most recently accepted mortgage offer, further advance offer or mortgage product transfer offer. The amount of the fee, if applicable, will also be shown in your Annual Mortgage Statement and in any Amount Owning Statement we issue. We will also tell you the amount of the fee at any time you ask us to. This fee will be waived if the mortgage has run its full term (including any agreed extension and/or term applicable to any further advance).</p>	
Payment of ground rent/service charges/shared ownership rent	£75
Property reinspection fee	£70
Completing questionnaires or references sent by other lenders granting another mortgage	£100 Inc. VAT
UK CHAPS Transfer fee	£30
Full copy of title documents, plans, etc.	£35 Inc. VAT
Single copy document or provision of title information	£17.50 Inc. VAT
Transfer of mortgaged property (transfer of ownership): Adding and/or removing name(s) to/from the mortgage	£160
Consenting to transactions - for example, release from the mortgage of part of the property, grant of easement (for example, a right of way) or consent to legal documents	£75
Consent to allow letting (except buy to let products)	£75

Service or application	Fee
Revaluation fee for release of part security	
Estimated valuation up to £150,000	£108
Estimated valuation up to £200,000	£128
Estimated valuation up to £300,000	£165
Estimated valuation up to £400,000	£200
Estimated valuation up to £500,000	£233
Please contact us if the property value exceeds £500,000	

### Charges which may apply depending on how you conduct your account

Missed or returned payments	£35
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### Arrears

Each telephone call and/or each letter requesting payment	£35
Instructing external Debt Counsellors	£100
Where it becomes necessary to instruct solicitors to collect arrears of payments	£125
If we take the mortgaged property into possession	£350
*If we send deeds to our solicitors to help prepare for court action	£50

**An asterisk \* indicates fees that are not applicable if we charged you a Mortgage account fee on completion of your mortgage.**

# Appendix

## Customer Confirmation

**If I apply for a mortgage I confirm that I make the following statements:**

**I declare that:-**

1. I apply for a loan on the security of the property described in this application;
2. I believe the information given in this application is correct.

**I authorise you to:-**

3. make any enquiries of any third parties for reference purposes and for the third party to disclose any information to you;
4. change the address on all my accounts held with members of your group of companies.

**I agree that:-**

5. you and any subsidiary or associated company of yours, will retain commission paid or allowed on any insurance you arrange;
6. you may be provided, by the policy or plan provider, with any information relating to any life policy or investment plan being taken into consideration by you in connection with this mortgage;
7. I will notify you of any changes in circumstances relating to my purchase or mortgage before it is entered into and I authorise my conveyancer to disclose such information to you;
8. relevant data may be passed to any guarantor of my loan or to their legal adviser;
9. where I am making this application with one other joint applicant (but not more than one other), following completion you may act on the request of either of us for a payment arrangement, payment holiday or the release of any retained funds or drawdown of reserve/credit available under the mortgage. I also agree that such a request may be made in person, in writing, by telephone or online.
10. you will search credit reference agency files for credit information in assessing my application. The agency will also give you other details and information from the Electoral Register to verify my identity. The agency will keep a record of the search type (credit or identification), whether or not my application proceeds.  
 You may use credit scoring methods to assess my application and verify my identity. Members of your group and other companies may use credit searches and other information supplied to them and/or the credit reference agencies about me and someone linked financially with me, to make credit decisions about me or other members of my household. Any of this information may also be used for identification purposes, debt tracing, preventing money laundering and managing my account.  
 You may give details of my account and how I conduct it to credit reference agencies. If I borrow and do not repay in full and on time, you may tell credit reference agencies who will record the outstanding debt and my details may be submitted to the Council of Mortgage Lenders possessions register;
11. Information held about me by the credit reference agencies may already be linked relating to one or more of my partners, including records held in previous or subsequent names. During this application I may be treated as financially linked and my application may be assessed with reference to any "associated" records.
12. I have received information explaining property assessments.
13. I have received an Initial Disclosure Document and a Key Facts Illustration relating to this mortgage.

**I understand that:-**

14. the payment of any fees is non-refundable and shall not mean that you have to make an advance;
15. if I/we choose a Homebuyers Survey and Valuation Report, you will choose the valuer for the property assessment and that it is the valuer's responsibility to agree the Conditions of Engagement for the private survey element with me;
16. if applying in joint names, I will create a financial association with that person. I declare that I am entitled to provide information about my joint applicant and anyone else I mention. I also declare that they authorise you to search, link and/or record information about them at credit reference agencies.
17. when considering an application for credit, you may use the information supplied to you to offer additional products.

**Self Certification Confirmation**

If I apply for a self certification mortgage (Self Cert):

- I certify that the income details I supply as part of my application are true and correct and that my income is sufficient to support all the relevant payments required to sustain the mortgage I apply for.
- I confirm that I understand the importance of correctly declaring my income and that if I provide any false, inaccurate or misleading information it could make me liable to criminal prosecution.

**Data Protection Notice**

Any information you provide will be held by The Mortgage Business plc which is a Bank of Scotland plc company. Relevant information may also be passed to our agents and service providers. Members of our group of companies may use it to inform you by letter, telephone, e-mail, SMS or otherwise about any products and services offered by our Group and selected third parties, unless you have asked us not to do so.

It is important to read all the information on your application form and to refer to our leaflets 'About You - Personal information and how we use it' and 'Your Identity'.

We have systems that protect our customers and ourselves against fraud and other crime. Customer information can be used to prevent crime and trace those responsible. We may check your details with fraud prevention agencies. If false or inaccurate information is provided and fraud is identified, details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information. We and other organisations may also access and use this information to prevent fraud and money laundering, for example, when:

- Checking details on applications for credit and credit related or other facilities;
- Managing credit and credit related accounts or facilities;
- Recovering debt;
- Checking details on proposals and claims for all types of insurance;
- Checking details of job applicants and employees.

Please telephone us on 0845 604 5494 if you want details of those credit reference agencies and fraud prevention agencies from whom we obtain and with whom we record information about you. We and other organisations may access and use from other countries the information recorded by fraud prevention agencies. You have a legal right to these details.

If you submit an application, you agree that we can use your information in the ways described.

# Important information

## **'YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE'**

Our aim is to please - but we know that sometimes things go wrong. If you have a problem, we want to know. A member of staff will be happy to help over the phone. A copy of our complaints procedure is available on request. If you need further help, ring our Customer Helpline on 08457 253 253.

Complaints we cannot settle may be referred to the

Financial Ombudsman Service. Mortgage Repayments Protection is underwritten by Halifax Insurance Ireland Limited, Dromore House, East Park, Shannon, Co Clare. Registered in Ireland Number 323923

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# Here to help

## Additional needs

We are committed to meeting the needs of all our customers. If you have a hearing or speech impairment, you can use TYPETALK whenever you contact us. For the visually impaired, we can provide documents in large print, Braille or on audio. Please speak to a member of staff.

## Customer complaints

We aim to please – but we know that sometimes things go wrong. If you have a problem or complaint we want to know. A member of staff will be happy to help over the phone. If you need further help, ring our Customer Helpline on 08457 253 253.

A copy of our complaints procedure is available on request. Complaints we cannot settle may be referred to the Financial Ombudsman Service.

## General consumer information

We hope that this leaflet has been helpful. Our staff can provide more detailed information and answer your questions about other products and services we offer. If you'd like more general information, the Financial Services Authority (FSA), the financial services watchdog, provides a range of free consumer booklets and factsheets and a Consumer Helpline. Visit their website at [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk) or

call 0300 500 5000.

The FSA have a wealth of helpful information on a wide range of financial areas. However, they can only provide general information and cannot give specific advice or recommend any company's products, investigate individual complaints or contact firms on behalf of individuals.

For your protection, calls may be recorded for security and training purposes and monitored under our quality control procedures.



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