

**Penrith Building Society Mortgage  
Conditions 2025**

(England & Wales)

**Introduction – how these terms work**

These terms are set out in three parts:

**Part A – Mortgage Conditions**

Part A explains how your mortgage works. It explains certain technical terms used in the mortgage documents which we have sent to you and sets out in detail what you are agreeing to do, or not to do, when you sign the mortgage offer and mortgage deed. It also sets out what our rights and obligations are under the mortgage agreement. You should read Part A of this booklet carefully before you sign your mortgage deed.

Your solicitor should advise you about what you are agreeing to when you sign the mortgage deed. If you have any questions or concerns you should ask them about it.

**Part B – Your membership of the Society**

When you sign the mortgage deed, you (or one of you, if you are joint customers) will become a member of the Society. Part B tells you what that means and how to change the person who is the designated member (for joint customers).

**Part C – Important Information**

This part tells you important things such as how the Society is regulated, who you can complain to if you are unhappy about the way you have been treated, and the points of contact at the Society should you have questions or concerns.

Of course, if you have any questions about any part of this booklet, please get in touch using the contact details in Part C and we'll be happy to help you.

**Part A – Mortgage Conditions**

This is an important legal document. These mortgage conditions set out how your mortgage works, our rights and powers and what your obligations are over the life of your mortgage. They form part of our agreement with you and will apply until you have paid us everything you owe under your mortgage. We refer to the documents making up your mortgage as the **agreement** or the **mortgage** throughout these mortgage conditions.

The **agreement** is made up of:

- these **mortgage conditions**.

- **application declarations**: the declarations and information that you have given in your mortgage application.
- **mortgage offer**: the mortgage offer provides all of the information that is specific to your mortgage, such as how much we're lending you and the interest rate we're charging. If your mortgage offer says something different to other documents that form part of the agreement, the mortgage offer has priority.
- **mortgage deed**: the mortgage deed creates a legal charge over your property – this is our security for the money you owe us.
- **tariff of fees and charges**: the tariff of fees and charges (or **tariff**) sets out our standard charges and costs that you may have to pay during the life of your mortgage.
- the Society's Rules referred to in Part B.
- any other document entered into in connection with this mortgage. For example, any additional security documents we ask you or a third party to enter into in connection with this mortgage.

The agreement lasts until you have paid us everything you owe us under the agreement and we no longer have the legal charge over your property. Some words we use in the agreement (including these mortgage conditions) have a technical meaning. We've explained the meanings of them below. Where a word appears in the singular it can also mean the same in the plural, where appropriate.

<b>completion</b>	completion of the agreement, by which we mean that all our pre-lending conditions and other pre-lending requirements have been satisfied, the mortgage deed is executed and the loan monies are sent out;
<b>costs and charges</b>	the costs and charges set out in your mortgage offer or described in condition 4 (Our costs and charges) below;
<b>guarantor</b>	Is any person who has agreed to guarantee your obligations under the mortgage and includes the guarantors' personal representatives.

<b>interest</b>	The interest rate set out in your mortgage offer and described in condition 2 (The interest we charge) below;
<b>LPA</b>	means the Law of Property Act 1925 (or any changes to this legislation or new legislation that replaces it);
<b>month</b>	means a calendar month;
<b>payment day</b>	means the date your monthly payment is due. The mortgage offer says when this is unless you or we have changed it, in which case it will be the date it was changed to;
<b>property</b>	means the property stated in the mortgage deed;
<b>tariff</b>	means our tariff of mortgage charges;
<b>we, our, us and the Society</b>	means Penrith Building Society. It also means any person who we transfer any of our rights in your mortgage to;
<b>year</b>	means a calendar year; and
<b>you and your</b>	means the person or people named as the mortgage account holders in the mortgage offer (and their personal representatives and anyone who takes over their legal rights and duties under the agreement).  If there is more than one of 'you', 'you' or 'your' means all or any of you. If you are joint borrowers under the mortgage, but only one of you owns the property, the mortgage deed will be security for all of your obligations under the agreement.

	You're each responsible for the entire mortgage as individuals and also responsible jointly.
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When we use words in these conditions, like "for example", "including" and "in particular", that means that the wording surrounding them is illustrative only and is not meant to limit the meaning of words or expressions.

Where we refer to legislation, those references include a reference to such legislation as amended or replaced from time to time.

### About your mortgage

#### 1 What, when and how you will repay your mortgage

- 1.1 You must repay all the money you owe us (which includes the money we originally lent you, any further money we lend you which says it is secured by the mortgage deed, plus interest, costs and charges) by the end of the mortgage term set out in your mortgage offer – if you don't do so we can continue to apply interest to any amount outstanding at the interest rate until it's fully repaid.
- 1.2 You must pay to us the monthly payments set out in your mortgage offer (or any changed monthly payments which apply under these mortgage conditions) on time. For the purpose of calculating the monthly payments we may assume that each month is an equal twelfth part of the year.
- 1.3 Your mortgage offer will say if it's a repayment, interest only, part and part, lifetime or retirement (interest only) mortgage:

What is a repayment mortgage?

With a repayment mortgage, we calculate your monthly payment so that you repay what you owe with interest in equal instalments over your mortgage term.

Your monthly payments won't cover any arrears, so if you go into arrears during your mortgage term you'll need to make separate arrangements to repay the arrears at the end of the mortgage term if you have not been able to pay them off in the meantime – we'll tell you what your options are at the time.

What is an interest-only mortgage?

**With an interest-only mortgage your monthly payment will only pay us the interest we charge. You'll have to pay**

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the rest of the money you owe us at or by the end of your mortgage term.

It is your responsibility to check that any repayment strategy is or will be adequate to redeem your Mortgage at the end of the Mortgage Term. Your Mortgage Offer will tell you whether your Loan is on an interest-only basis.

Your monthly payments won't cover any arrears, so if you go into arrears during your mortgage term you'll need to make separate arrangements to repay the arrears at the end of the mortgage term if you have not been able to pay them off in the meantime – we'll tell you what your options are at the time.

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What is a part and part mortgage?

With a part and part mortgage you pay off some of the interest and capital over the mortgage term (as with a repayment mortgage), but part of your payments will only cover interest (as with an interest-only mortgage). When the mortgage term comes to an end there will still be some money left to pay off on the interest-only element.

It is your responsibility to check that any repayment strategy in respect of the interest only part of your mortgage is or will be adequate to redeem your Mortgage at the end of the Mortgage Term. Your Mortgage Offer will tell you whether your Loan is on an interest-only basis.

Your monthly payments won't cover any arrears, so if you go into arrears during your mortgage term you'll need to make separate arrangements to repay the arrears at the end of the mortgage term if you have not been able to pay them off in the meantime – we'll tell you what your options are at the time.

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What is a lifetime mortgage?

A lifetime mortgage is a type of loan given to people who have retired – or are about to retire, under which we lend you a sum of money secured against a property which you already own. Its purpose is to give you a sum of money to provide for your retirement, give it to family members or some other purpose (this is also known as "equity release"). On a lifetime mortgage, interest may not be paid by you, in which case it will be added to the money we have lent you and only becomes repayable when you (or the last of you where there is more than one of you) dies or goes into long term care, when the property will be sold to

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repay us. This is known as "interest roll-up". Where that is the case, the interest roll-up will greatly increase the amount of money you owe us and will significantly decrease the value in your home which you can leave to others when you die. If you pay the interest, however, it works like an interest-only mortgage

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What is a retirement interest only mortgage?

A retirement interest only mortgage is a type of loan given to people who have retired – or are about to retire, under which we lend you a sum of money to purchase a property, or secured against a property which you already own. If the loan is secured against a property you already own, its purpose is to give you a sum of money to provide for your retirement, give it to family members or some other reason. Like a lifetime mortgage, it only becomes repayable when you (or the last of you where there is more than one of you) dies or goes into long term care, when the property will be sold to repay us. Unlike a lifetime mortgage, however, you will pay interest on the money we've lent you on a monthly basis, which means that the amount of the loan should not increase over the term of the mortgage.

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- 1.4 We'll take the monthly payment by direct debit from a UK bank or building society account. In exceptional circumstances and at our discretion, monthly payments may be accepted by electronic transfer or standing order from a UK bank or building society account in your name.

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Let's say your payment day is 1<sup>st</sup>, and in September that falls on a Saturday. You would have to make your payment on 3<sup>rd</sup> September, because that would be the next working day.

- 1.5 We will write to you to tell you the date your monthly payments will be due after completion. This will usually be the last day of each month but you may make your monthly payment earlier in the month if you wish to. Your monthly payments will be due on the same date each month. If the payment day does not fall on a working day, payment will be taken on the next working day.
- 1.6 You can ask us to change your direct debit payment day (to either the 6<sup>th</sup>, 15<sup>th</sup> or 26<sup>th</sup> of a month) at any time. Except in cases of forbearance (where we will act reasonably

and in your best interests) we will normally (but are not obliged to) agree to this provided that:

- 1.6.1 we are satisfied that your request doesn't indicate that you're unable to make the monthly payments;
  - 1.6.2 all your monthly payments are up-to-date.
  - 1.7 We may change your payment day at any time to reflect:
    - 1.7.1 a change in the law, regulatory requirements or code of practice; or
    - 1.7.2 technological change.
- We'll give you at least two months' notice of any change that we're making to your payment day.
- 1.8 Your first monthly payment may be more or less than the usual monthly payment amount stated in your mortgage offer. This depends on the date completion takes place. We will write to you to tell you the first monthly payment amount.
  - 1.9 Your final monthly payment may also be more or less than the usual monthly payment amount to take into account any overpayments or underpayments on your mortgage or any amounts which you added to your mortgage and which you did not pay earlier.
  - 1.10 We may change the amount of your monthly payment to reflect any changes to:
    - 1.10.1 your interest rate;
    - 1.10.2 the amount of money you owe us;
    - 1.10.3 changes in currency values (see condition 3);
    - 1.10.4 the repayment type for the mortgage;
    - 1.10.5 the mortgage term; or
    - 1.10.6 law or regulation.

We'll act reasonably in exercising this right and we'll tell you at least 14 calendar days in advance of the change taking place, including telling you when your new monthly payment amount is first due.

- 1.11 If you don't pay everything due in full we'll apply the amount you pay us:
  - 1.11.1 towards any arrears; then
  - 1.11.2 towards any unpaid charges and any unpaid interest which doesn't form part of the arrears; and then
  - 1.11.3 towards the rest of the outstanding balance on your mortgage account.
- 1.12 We'll only release the security for your mortgage when you've repaid everything you owe us in full.
- 1.13 You can repay all or part of the money you owe us under your mortgage at any time, as

long as you also pay any early repayment charges that apply. You'll find details of these in your mortgage offer.

- 1.14 If you don't make a payment on time on any loan with us, we may use the money we have received from you, or any money which we hold for you, to make the payment. This right is sometimes referred to as 'the right of set-off'.

## **2 The interest we charge**

- 2.1 We charge interest on everything you owe (until you have paid it off) unless we tell you we are not charging interest on something. We charge interest for every day you owe us anything under the agreement, except costs and charges which you are charged after completion of the agreement. However, if you do not pay a cost or charge which is requested after completion, this may be debited to your mortgage account and would then incur interest charges. For the avoidance of doubt, if we pay something on your behalf (such as an insurance premium), we will charge interest on that sum as if it formed part of the money we originally lent to you.
  - 2.2 We start charging interest:
    - 2.2.1 on any money we lend to you, from the day we lend it to you;
    - 2.2.2 on interest from the day after we add it to your mortgage account; and
    - 2.2.3 on any charge and cost we add to your mortgage account from the day we do so.
  - 2.3 This means that we charge interest on arrears and any interest on arrears that you haven't paid. So, we'll charge you interest on interest that we've charged you but you haven't paid.
  - 2.4 If you make a payment it will reduce what you owe (and the amount we charge interest on) from the day after we actually receive the money. If your mortgage is on an interest roll-up basis, the interest will be simply added to your loan and form part of the money you have to repay at the end of the mortgage term (this only applies to lifetime mortgages).

### **The type of interest that applies to your mortgage**

- 2.5 Your mortgage offer will set out the type of interest rate that applies to your mortgage.
  - Fixed interest rate
- 2.6 If the interest rate is fixed then your mortgage offer will tell you how long the interest rate is fixed for. During that time the interest rate will not go up or down. Once the fixed period comes to an end then your interest rate will be set by reference to

a variable rate. The type of variable rate will be set out in your offer letter.



Our Standard Variable Rate is a variable interest rate that we set and can decide to change. A tracker rate follows movements in another interest rate that is not set by us. It will track that other rate by a 'margin'.

### Variable interest rate

2.7 A variable interest rate is an interest rate that can go up or down. There are different types of variable rate, for example tracker rates and our standard variable rate, which will be set out in your mortgage offer. If a variable rate applies to your mortgage the minimum interest rate (the interest rate which you can never fall below) will be set out in your mortgage offer.]

#### *Capped Rates*

2.8 Capped rate mortgages track our standard variable rate, but will never go above an absolute rate, set out in your mortgage offer. If the standard variable rate changes, we will give you at least 14 days' notice of the change and tell you what your revised payments will be from the date of the change.

#### *Collared rates*

2.9 Collared rate mortgages mean that your interest rate will never go above an absolute rate set out in your mortgage offer, but will never go below a minimum rate, also set out in your mortgage offer. Interest is calculated based on our standard variable rate.

#### *Floored rates*

Floored rate mortgages mean that your interest rate will never go below a minimum rate which is set out in your mortgage offer. Interest is calculated based on our standard variable rate.

#### *Tracker Rate*

2.10 Tracker rate mortgages track the Bank of England Base Rate. If the Bank of England Base Rate changes, we will change your interest rate on the same day and give you notice within one month of the date of the change.

2.11 Your monthly payment will be recalculated to reflect the change in the Bank of England Base Rate. If there are 15 days or more until your next payment day, your monthly payment will change on the next payment day. If not, it will change from the one after.

2.12 If the Bank of England Base Rate (or the rate that replaces it) stops being set or there is a significant change to the way it is calculated or set and we are unable to reasonably identify a replacement rate, we can choose a new rate of interest that will be tracked. The rate we choose will be a rate we do not set.

2.13 Your mortgage offer will tell you what the margin is. The margin could be an amount added to the tracker rate (for example, Bank of England Base Rate + 2%), deducted from the tracker rate (for example, Bank of England Base Rate - 2%) or zero.

2.14 We will not change the margin, but if the margin means your interest rate would fall below zero, your interest rate will be 0% instead, unless your mortgage offer specifies another minimum rate (known as a "floor") which your interest rate can never fall below.

#### *Standard Variable Rate*

2.15 We may reduce the standard variable rate at any time and without notice to you, but will notify you of any change to your monthly payment.

2.16 We may increase the standard variable rate at any time to respond proportionately to any one or more of the following:

2.16.1 a change in our costs in funding your mortgage (this may include, for example, where the interest rates on the money we borrow to fund your mortgage, increase);

2.16.2 a change in the law, codes of practice or the way we are regulated (including a decision by a court, ombudsman or a similar body); or

2.16.3 any other valid reason which we consider justifies increasing the rate (this may include but is not limited to circumstances which affect the sustainability or viability or your product offering, or to enable us to meet our regulatory capital and liquidity requirements).

2.17 We will give you at least 14 days' notice of an increase in the standard variable rate. When we give you notice we'll also tell you what your new monthly payment will be.

#### **How we calculate interest**

2.18 The interest rate is an annual rate. For the purposes of calculating the annual rate we assume that a year is 365 days (even in a leap year). To calculate the amount of interest accruing on a daily basis, we divide the annual amount of interest by 365. To calculate your monthly payment we treat each month as an equal twelfth part of the year.

2.19 Interest will be added to the mortgage account in arrears on the payment day. Interest accruing in the month or part of the month in which the outstanding balance is repaid in full will be added to the account on the day on which the outstanding balance is repaid in full.

2.20 We may continue to charge you interest at the interest rate even after any court order requiring you to pay the whole or any part of any amount that you owe us.

2.21 Interest can never fall below 0%. If you have a variable, capped or tracker rate and interest rate movements would cause your rate to fall below 0%, then your interest rate will be 0% instead, unless your mortgage offer specifies another minimum rate (known as a "floor") which your interest rate can never fall below

### 3 Foreign currency mortgages

Where your mortgage is made in pounds Sterling but the income/asset from which the mortgage is to be repaid is denominated in a currency other than pounds sterling the value of your loan in the applicable foreign currency could change. Likewise the value of the amount you have to pay in the applicable foreign currency each month could change. Illustrations of this are included in the mortgage offer.

3.1 You do not have the right to convert the loan into an alternative currency.

3.2 We will provide you with quarterly notifications (and annually as part of your mortgage statement) where the value of your monthly repayment or the total balance outstanding varies by more than 20% due to changes in the exchange rate between GBP Sterling and the applicable foreign currency.

### 4 Our costs and charges

4.1 As well as paying us interest on your mortgage you may have to pay us charges and costs.

4.2 Your mortgage offer will state if there are any charges you need to pay (for example, a product fee) and when these charges will need to be paid.

4.3 You may also have to pay our costs. You might have to pay a cost because you ask us to do something or you do not keep to your obligations under the agreement. For example, if we pay a service charge where you haven't done so.

4.4 We publish a tariff which includes our standard charges and costs for the services we provide and the action we may need to take in connection with your mortgage. You can find a copy of our tariff here:

<https://www.penrithbs.co.uk/mortgage/tariff-of-charges/>

4.5 Although in the majority of cases our costs and charges will be included in your mortgage offer or the tariff, in other cases (typically where the service falls outside our standard services) we will charge you a reasonable amount to cover our internal costs for providing the service and any costs we have to pay to other people.

4.6 If you don't pay the costs or charges when we ask you to, you may have to pay interest on them at the interest rate from the date that the cost or charge was due for payment until it is repaid. However, if you do not pay a cost or charge which is requested after completion, this may be debited to your mortgage account and would then incur interest charges. For the avoidance of doubt, if we pay something on your behalf (such as an insurance premium), we will charge interest on that sum as if it formed part of the money we originally lent to you.

4.7 We can reduce or cancel a charge or cost at any time and for any reason.

4.8 We can increase any of the standard charges or costs listed in our tariff (or introduce new charges) at any time, but we'll only do this to respond proportionately to any or all of the following:

4.8.1 introduction of a new service;

4.8.2 a change in the law, regulatory requirement or code of practice;

4.8.3 a change beyond our reasonable control in the costs to us of providing a particular service (for example, if a third party we use to provide the service increases their costs).

4.9 We'll write to you to tell you about any new or increased charges shown in our tariff at least seven days before the change takes effect. We'll also publish a copy of the updated tariff on our website: [www.penrithbs.co.uk](http://www.penrithbs.co.uk)

### 5 Repaying your mortgage early

5.1 At any time before the end of your mortgage term, you can choose to make an early repayment by either paying:

5.1.1 everything you owe early (for example, you remortgage); or

5.1.2 part of what you owe early (for example, by making an additional payment(s) on top of your monthly payments – we call this making an overpayment).

5.2 You may incur early repayment charges for repaying all or part of your mortgage early. Where applicable, details of early repayment charges and when they apply will be set out in your mortgage offer.

5.3 Any overpayment will be credited to your mortgage account on the day it is received by us. When you make an overpayment, we will not automatically recalculate your monthly payments. However, if you make a lump sum overpayment of £1000 or more, you can ask us to do so.

5.4 If an early repayment charge is payable it will not only be payable if you choose to make the early repayment, but also if you have to make it, for example if we require you to repay your mortgage in full immediately for one of the reasons stated in these mortgage conditions.

## 6 Repaying lifetime and retirement (interest only) mortgages

6.1 Where you have a lifetime mortgage or a retirement (interest only) mortgage, proposals for repayment of your mortgage debt must be made to us where:

6.1.1 you die or you are joint borrowers and the last surviving one of you dies, in which case your personal representatives must tell us about this in writing and provide us with a death certificate; or

6.1.2 you have stopped occupying the property to go into long-term care or you are joint borrowers and both of you have done so, in which case you (or someone holding a lasting power of attorney for you) must provide us with written confirmation from a doctor or other medical or care professional before you leave the property.

6.2 Where either of the above events occur, the proposals must come from you or someone entitled to act for you (for example your personal representatives or the holder of a lasting power of attorney) and set out how the mortgage debt is to be repaid. Normally this will be by a sale of the property, in which case your personal representatives or attorney must market the property for sale for the best price reasonably obtainable, but must not sell it without first obtaining our written approval. Any other proposals for repayment will need our express written approval.

## 7 Flexible features of your mortgage

### Payment holidays and underpayments

7.1 You will not be able to take payment holidays i.e. miss one or more of your monthly payments) or make underpayments (i.e. pay less than the full amount of your monthly payment) unless your mortgage offer says that you can. If your mortgage offer doesn't contain this right, you can ask us to make an arrangement that may allow suspended or reduced repayments if your circumstances change (for example if you lose your job)

which we will look at and will act in your best interests when considering your request. However, we do not have to agree to your request and if we do this would be treated as a forbearance measure and could impact your credit file and there may be conditions attached to our agreement.

## Porting

7.2 "Porting" your mortgage means an ability to transfer your outstanding balance to a mortgage of another property. This is not an automatic right and details of whether and how you are able to do so will be set out in your mortgage offer.

7.3 If it is possible to port your mortgage we will need to be satisfied that the new property creates satisfactory security for mortgage. You will always be subject to a full affordability assessment where porting is allowed. Our affordability requirements at the time of your move may be different to those at the time you take out your mortgage and also your circumstances may have changed. We will discuss the details of this with you, if applicable, at the time.

## Your obligations in connection with the property

### 8 Insuring the property

8.1 The property must be covered by buildings insurance for as long as it is security for the money that you owe us. The insurance must cover the full rebuilding cost, including clearing the site, paying all fees and expenses and the cost of meeting any planning or local authority requirements. The insurance must also cover the usual home insurance risks including (but not limited to) fire, explosion, earthquake, storm, flood, escape of water or oil, subsidence, heave, landslip or malicious damage.

8.2 You must not do anything which means the insurer could refuse to pay claims under the building's insurance, or refuse to provide insurance cover.

8.3 If your property is leasehold and the landlord is responsible for insuring it, you must make sure that they're doing so. If the landlord does not insure your property, or is insuring it for less than its full rebuilding cost, you must let us know.

8.4 If we reasonably believe that your property is not insured we may arrange insurance. If we do this, we'll pass on the cost to you.

8.5 If a claim is made on the building's insurance, any money received from the insurer must be used to reinstate your property or reduce or pay off the money you owe us.

- 8.6 We are not required to make sure that any insurance arranged by you is adequate.
- 8.7 You must provide us with a copy of your insurance policy/ies promptly on request.
- 8.8 We will be able to deal with your insurers on all matters arising under the policy, including settling any claim. We will also be entitled to receive any payments which your insurer makes.

**9 Use of the property – what you must do and what you must ask our permission to do**

9.1 By entering into the mortgage, you have given us security over the property. This means that rights you have as owner of your property are transferred to us as part of the security and pass back to you when the mortgage ends.

9.2 There are certain actions that you must or must not take in relation to the property.

9.2.1 You must:

- (i) look after the property and keep it in good condition, carrying out any necessary repairs;
- (ii) ensure that any unfinished building works on the property are completed without delay and to the required standard;
- (iii) comply with all legislation affecting the property and its use (in particular planning and environmental laws);
- (iv) comply with the requirements of any local authority which affect the property;
- (v) give us any information about the property which we ask for (acting reasonably);
- (vi) use the property (or permit the property to be used) as a residence only;
- (vii) tell us within 14 days about (and give us a new mortgage (if we ask) over) any increased interest you get in the property (for example a new or extended lease on your property or an interest in the freehold of any building that includes the property);
- (viii) if the property is leasehold, comply with all of the tenant's obligations under the lease (including paying any ground rent and service charges on time);
- (ix) pay all rents, taxes and outgoings affecting the property;
- (x) let us know immediately if you receive any notices claiming that you've not complied with any consents or regulations for example

from a landlord or government department and take all reasonable and necessary steps to comply with the requirements of such notice;

- (xi) allow us, our employees or agents access to the property if we ask and give you reasonable notice. We may need to do this to carry out a valuation of the property, inspect the state of repair and condition of the property or to carry out/complete any work necessary to put right your failure to comply with the terms of the agreement.

9.2.2 You must not:

- (i) neglect or damage the property or do anything to reduce its value;
- (ii) do anything on the property which might harm any insurance or increase the cost of that insurance;
- (iii) alter the property if such alterations would reduce its value or grant rights in it to anyone (or allow anyone to obtain rights in it);
- (iv) knowingly take any action that regarding the property that breaks the law.

9.2.3 You must not, without getting our written permission first:

- (i) apply to a local authority or other similar body for any loan or grant for the repair or improvement of the property;
- (ii) change the use or occupation of the property. This includes leasing, letting, licensing or parting with possession of it, or any part of it (unless you have a buy-to-let mortgage);
- (iii) alter or extend the property;
- (iv) sell or dispose of the property (or any interest in it) or agree to do so;
- (v) use the property as security for another loan or for any other obligation you may be subject to.

9.3 If your property is damaged or loses value, you may receive compensation or money from insurances or guarantees. You must use this to fix the related problems or pay off the money you owe us. You'll hold any money you receive in trust for us. This means that you'll hold the money on our behalf, and if we ask for it, you must pay it to us immediately.

**10 Additional actions you must take if your mortgage is a buy-to-let mortgage**

- 10.1 In addition to complying with condition 9, if you have a buy-to-let mortgage you must make sure that:
- 10.1.1 you let the property within three months of completion;
- 10.1.2 the property is not at any time occupied by you or by anyone related to you (and for these purposes a person is "related" to you if they are your spouse, civil partner parent, grandparent, sibling, child, grandchild, aunt, uncle, cousin, niece, nephew or any person (whether or not of the opposite sex) whose relationship to you has any of the characteristics of any of those persons);
- 10.1.3 you meet all relevant laws and regulations that apply to letting your property, for example, protecting the tenant's deposit and getting any necessary consents;
- 10.1.4 if the property is a multi-unit freehold block, you must ensure that the individual units comply with the following minimum requirements and ensure that the property is not a house in multiple occupation (or HMO).
- (a) each unit must have its own tenancy agreement;
  - (b) each unit must have private areas for each unit or household, to which nobody else has a right of access (to include bedrooms, kitchen, bathroom and living area); and
  - (c) each tenant must have a separate entrance to their unit or household.
- 10.2 if your property is leasehold, you meet the conditions in your lease before the tenancy starts. For example, you may need the landlord's written consent;
- 10.3 all tenants sign the tenancy agreement, which must meet the conditions in condition 11;
- 10.4 you make suitable arrangements for management of the property;
- 10.5 at all times you have suitable insurance for the property that is being rented out, which must include both buildings insurance and other risks typically covered by landlords' insurance, to include (as a minimum) accidental damage, loss of rent, landlord emergency and legal expenses cover (and public liability insurance if your mortgage offer requires it);
- 10.5.1 you give the tenant written notice that:
- 10.5.2 you've mortgaged your property;
- (i) as the mortgage lender we can take possession of and sell your property under the terms of the mortgage in certain circumstances;
  - (ii) if we sell your property under the terms of the mortgage they'll need to move out in line with the statutory or contractual notice from us; and
- 10.5.3 you tell us about any changes to your address - we'll send documents about your mortgage to the last address you gave us.
- 10.6 You must not:
- (a) without our permission and subject to whatever conditions we may (at our discretion) impose, let your property other than to a single-family unit;
  - (b) enter into more than one tenancy for your property (where each tenant would have a separate tenancy agreement); or
  - (c) rent out your property to:
    - (i) asylum seekers;
    - (ii) people who have or may get diplomatic immunity;
    - (iii) Rent Act protected tenants (who could have the right to stay in your property after the tenancy ends); or
    - (iv) agents of any of these people.
- 10.7 Your tenancy agreement must be in writing and say that:
- (a) it is for a fixed term;
  - (b) the tenant will:
    - only use your property as their home and not for any business;
    - keep your property in good repair and condition;
    - pay rent monthly or weekly;
  - (c) you can end the tenancy at the end of any fixed term or end it early if the tenant has breached any term of the agreement; and
  - (d) the tenant can't sub-let your property (let all or part of your property to someone else) or transfer the tenancy to someone else within the first three months of the term or to anyone in condition 10.6(c). Any sub tenancy must comply with these conditions.

Most buy-to-let mortgages are not regulated by the Financial Conduct Authority. This means that if your mortgage is an unregulated buy-to-let mortgage, you will not have the same protections as with a regulated mortgage contract. An unregulated buy-to-let mortgage does not have to comply with Financial Conduct Authority requirements, you will enjoy less in the way of consumer protections and the information we have to provide you with is

significantly less than those with regulated mortgages.

## 11 Acceptable tenancies

### England

11.1 If the property is in England, you must meet the following conditions:

- (a) if the annual rent is £100,000 or less, the tenancy must be an assured shorthold tenancy for a fixed term of between six (6) and twelve (12) months and meet the terms of the Housing Act 1988 (as amended);
- (b) the tenant must not have security of tenure under the Landlord and Tenant Act 1954 (meaning they must not have the right to stay in your property after the tenancy ends); and
- (c) you must give the tenant written notice before they move into your property that we can seek possession under the Housing Act 1988, and include this condition in the tenancy agreement.

### Wales

11.2 If the property is in Wales the tenancy must meet (a) or (b) depending on when it started:

- (a) If it started before the Renting Homes (Wales) Act 2016 (the **RHWA**) came into effect, it must meet condition 11.1 above. Then, after the RHWA came into force, your tenancy agreement will have changed into an occupation contract. Your tenants will have become contract-holders. You must make sure that a written statement of the occupation contract, that meets the terms of the RHWA, has been given to your contract-holders within six months of the RHWA coming into effect; or
- (b) If it started after the RHWA came into effect, it must be a standard occupation contract within the meaning of the RHWA for a fixed term of up to 12 months. It must contain a break clause which lets the landlord end the contract on 2 months' notice as set out in the RHWA.

11.3 You must meet the RHWA in full. For example, you must:

- (a) make sure the property is fit for human habitation, which means it meets all the legal standards for contract-holders to use it as their home;

- (b) protect all deposits as set out in the RHWA and give all required information to the contract-holders; and

- (c) give your contract-holders a written statement of the occupation contract within the time limits stated in the RHWA.

11.4 You must make sure that:

- (a) the occupation contract clearly states that it excludes any rights of succession in the RHWA;

- (b) the occupation contract includes all fundamental terms set out in the RHWA without any changes;

- (c) where any supplementary terms set out in the RHWA or related regulations are left out or changed, those differences are agreed with the contract-holder; and

- (d) any extra terms included in the occupation contract do not conflict with any key matter, fundamental term, or supplementary term in the RHWA and are fair under consumer protection law.

## 12 Additional requirements for holiday let mortgages

12.1 Your mortgage offer will specify if your mortgage is for holiday let purposes. If it does, this means that:

12.1.1 Your property must be rented out commercially by you as furnished holiday accommodation to members of the public who are not related to you. A person is "related" to you if they are your spouse, civil partner parent, grandparent, sibling, child, grandchild, aunt, uncle, cousin, niece, nephew or any person (whether or not of the opposite sex) whose relationship to you has any of the characteristics of any of those persons;

12.1.2 No part of your property can be solely occupied by you or used as a principal residence by you or any other person.

12.1.3 The Property must be rented out on a holiday let basis for at least 32 weeks per annum, only under written licence agreements. Licence agreements are permissions to occupy the property on a temporary basis and do not give rise to a relationship of landlord and tenant or to any tenant's rights. For the avoidance of doubt, you must not grant any occupier an assured shorthold tenancy or occupation contract of the property.

12.1.4 Licence agreements must

- (a) be for a duration of not more than one month;
  - (b) be in writing and contain no unusual terms that materially adversely affect the property;
  - (c) provide that no sub-letting is permitted;
  - (d) only allow the Property to be used as a private dwelling for occupation on a holiday or other temporary basis and not for the occupant's residential purposes; and
  - (e) provide for payment of any occupation fee in advance.
- 12.1.5 You (or persons related to you) may occupy the property, but not as your main residence, and provided that you occupy it for no more than 90 days in each 12 Month period.
- 12.1.6 You must provide to us such financial or other information relating the property as we may reasonably require from time to time, such as details of income received from renting it out.
- 12.1.7 You may market the property through an online short stay letting portal (such as AirBnB), but there are some additional requirements, meaning:
- (a) You will have to provide us with an estimate of rental income from an independent agent before you can do so; and
  - (b) You can only let the whole of the Property via the web service you choose (i.e. not split by room)
- 12.1.8 You must ensure your property and its contents are insured as set out in condition 8. In addition to those requirements you must ensure that the insurance you obtain:
- (a) allows the property to be rented out on a holiday let basis;
  - (b) covers all normal risks, including fire, subsidence, aircraft, flood, and any normal risks covered by an appropriate insurance policy for properties let out on a holiday let basis (or for commercial landlords if no comparable policy is available) and any other risk which we may from time to time reasonably require;
  - (c) be maintained until our legal charge over the property has been redeemed;
  - (d) be for the full reinstatement value as set out in our mortgage valuation under a comprehensive index linked insurance policy issued by a reputable insurer; and
  - (e) contain a mortgagees' protection clause and have our interest noted (where possible).
- 12.1.9 You must also maintain public liability insurance covering all lawful occupants of the property, for so long as you owe us any money under the agreement.
- 12.1.10 You will still be liable to make your monthly payment, even if the property has not been rented out under a licence agreement.
- 13 General exclusions in respect of renting out properties**
- 13.1.1 We are not qualified to advise, nor can we give advice to you about the viability of any renting of the property, how easy to rent it will be, the level of rent or income from it which you might be able to achieve, its future value, or its present value or suitability for your purposes.
- 13.1.2 We have no control over the management of the property, the renting of it, or the choice or suitability of any occupant. Accordingly, we can accept no responsibility with regard to any risk that you may create through a rental where the occupant obtains security of occupation which is greater than you may have intended or as to the performance by the occupants of their obligations, whether to pay you money, look after the property, leave it when required or otherwise.
- YOUR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.**
- 14 Additional requirements for shared ownership mortgages**
- 14.1 If your property is subject to a shared ownership lease, your mortgage offer will contain special conditions which you have to keep to as part of the mortgage. Those conditions will include what the minimum length of your lease must be, what the minimum remaining length of the lease must be and what minimum percentage ownership you must have when the mortgage is entered into.
- 14.2 In addition to the requirements of your mortgage offer:
- 14.2.1 the landlord of the property must be a regulated housing authority which is allowed to enter into shared ownership leases;
  - 14.2.2 the purchase price for the property must be a percentage of the full open market value of the property and not include any additional costs connected with the purchase of the property (for example, builders' costs);
  - 14.2.3 the property must be wholly owned by you and not held on trust for others;

- 14.2.4 your lease must be granted to the borrower(s) alone and not to any other person;
- 14.2.5 your landlord must be shown a copy of your mortgage offer and the terms of your mortgage;
- 14.2.6 your landlord must give its written consent to you entering into the mortgage and assigning your lease to us;
- 14.2.7 the shared ownership lease must be dated post-6 April 2010 and must be in the form of the current template model lease in force at the time and published by the Homes and Communities Agency (or any government agency which previously had responsibility for or takes over its role);
- 14.2.8 your lease must contain the following provisions:
- (a) that the landlord will give us at least 28 days' prior written notice of its intention to forfeit (terminate) the lease;
  - (b) the right for you to acquire further shares in the property up to 100% of its total value (known as "staircasing");
  - (c) that if the landlord has the right to re-acquire shares in the property (known as "reverse staircasing" or "downward staircasing"), that right is subject to obtaining our prior written permission;
  - (d) the owner must have the right to assign the lease on the open market free of the nomination right or marketing restriction, with no restriction on who can purchase or occupy the property if either the landlord fails to nominate, or the nominee fails to exchange contracts within 26 weeks from the date of the leaseholder notice of an intention to sell;
  - (e) if the lease contains "per-emption rights" on resale (that is, a right for the landlord to bid for the property when you sell your interest or insist on a marketing process), a right for you to sell free of that right if the landlord does not complete a purchase within three months of the date on which you gave them notice of your intention to sell your share AND a provision that the pre-emption or marketing rights are exercised at full open market value;
  - (f) no obligation to make a payment on assignment or surrender of your lease (other than a reasonable amount not exceeding 2% of the sale price, and no payment at all on surrender or assignment to a sinking fund).
- 14.2.9 If we give you a mortgage in respect of a shared ownership lease which pre-dates 6 April 2010, the following additional requirements apply in respect of the lease:
- (a) the lease must contain a clause which protects us against any losses we might incur should we have to take possession of the property and/or exercise the right to complete the final staircasing and/or assign the lease, on terms acceptable to us;
  - (b) the lease must contain a clause which says that a lender in possession of the property has the option to assign the lease as it is, or to complete staircasing of ownership to 100% then assign the lease, without time limits.
- 15 Additional requirements for shared equity mortgages**
- Where you are buying the property on a "shared equity" basis (that is, you acquire 100% of the ownership of the property, but a third party (called the **other funder**) funds part of the purchase price and takes security over the property for its funding), the following additional requirements apply:
- 15.1 on completion you must acquire 100% legal ownership of the property;
- 15.2 the total funding you obtain for the property purchase must not exceed 100% of the value of the property at completion;
- 15.3 we must have a first mortgage deed and the security taken by the other funder must be ranked behind our mortgage deed by the other lender entering into a deed of priority in a form acceptable to us;
- 15.4 your arrangements with the other funder must provide for the benefit of any future change in the value of the property, on a sale or other disposal of the property, to be shared between you and the other funder in percentages equal to your relative funding of the property (for example, if you fund 75% of the purchase price and the other funder funds 25%, when you sell it any increase or decrease in value above or below the original purchase price will be shared 75%/25% by you and the other funder);
- 15.5 the loan from the other funder must be provided free of interest, or else at a maximum rate of interest of 1.75%, rising annually at a rate no higher than the rate of inflation set on the consumer prices index (published by the Office for National Statistics or any successor entity) plus 2%;

- 15.6 you must not be required to pay rent or any other fees or payments to the other funder;
- 15.7 the other funder's funding must be repayable on a sale of the property (or earlier if the other funder's funding requires earlier repayment);
- 15.8 the other funder's funding must be for at least as long as the term of your mortgage;
- 15.9 if the other funder's funding gives you a right to buy out their percentage share of the equity in your property prior to sale or disposal, your right to buy out the other funder must be exercisable based on the current open market value of the property;
- 15.10 we must have the ability to buy out the other funder's share of the equity in your property;
- 15.11 we must have the ability to sell the property at its then open market value at all times;
- 16 Additional requirements for self-build properties**
- 16.1 If your property is self-built or under construction, your mortgage offer will contain special conditions which apply to the construction of the property, which are tied to when the loan money will be released. You must comply with those special conditions in order to be able to borrow additional money during the construction process and as a condition to our continuing to provide the mortgage to you.
- 16.2 As a minimum, for self-built properties or properties under construction, you must:
- 16.2.1 obtain all necessary consents for the construction of the property;
- 16.2.2 have planning permission for the property and keep within its terms;
- 16.2.3 employ reputable builders and construction professionals who have appropriate liability cover;
- 16.2.4 put in place appropriate insurance whilst the property is under construction, including third party liability cover, with the Society's interest noted on the policy;
- 16.2.5 arrange appropriate access, rights of way and other rights in respect of utilities and amenities benefitting the property, including water, gas, electricity, drainage, sewerage, telecommunications and internet, rights and obligations affecting neighbouring properties (called "easements" or "restrictive covenants") and any management arrangements necessary for the property and its amenities;
- 16.2.6 comply with all applicable building regulations, applicable laws and industry standards relating to the construction of the property, and ensure that the builders comply with them;
- 16.2.7 arrange for the property to be supervised and certified by a qualified professional or under a suitable new homes warranty scheme (such as NHBC);
- 16.2.8 ensure that the property is properly accredited under the Energy Performance Certificate and any other mandatory standards;
- 16.3 If your mortgage offer says we will do so, we will lend an initial sum of money to you to enable you to buy the land on which the property is to be constructed.
- 16.4 You must ensure that the person supervising construction provides us with certificates to allow us to release additional money to you.
- The maximum initial release will be 80% of the current property value. The remainder of the advance monies will be released upon reinspection of the property by the Society's valuer, subject to no more than 80% of the property value being released at any time, subject to his recommendations.
- Failure to progress works on the property may mean that we won't lend you the next stage of money needed for the build, or that we may ask you to repay any money we have already lent you.
- 17 Guarantor
- 17.1 Your Mortgage Offer may require you to provide a Guarantor for your Mortgage. By signing the Mortgage Deed, the Guarantor agrees to pay your Total Debt if you fail to do so and agrees to this Condition 17.
- BY GIVING A GUARANTEE, THE GUARANTOR MAY BECOME LIABLE INSTEAD OF, OR AS WELL AS, YOU. A GUARANTOR SHOULD TAKE INDEPENDENT LEGAL ADVICE BEFORE SIGNING THE MORTGAGE DEED.**
- 17.2 If there is a Guarantor, then the following provisions apply: -
- 17.2.1 The Guarantor agrees with the Society to be equally as responsible as you for all your obligations to us under the Mortgage, and to pay us on demand any sums of money due from you under the Mortgage but unpaid, including all amounts comprising the Total Debt.
- 17.2.2 Any arrangements that we make with you will not affect the obligations of the Guarantor to pay your Total Debt if you fail to do so. In particular, the liability of the Guarantor will not be affected where or not:-
- 17.2.2.1 we have made a previous demand, or the Guarantor has made a previous payment;

- 17.2.2.2 we allow you or the Guarantor additional time to make any payment or any other concession;
- 17.2.2.3 we take any other security in relation to the Total Debt, or any such security is not enforceable for any reason; or
- 17.2.2.4 you (or any of you) dies, or any person comprising the Guarantor dies, becomes insolvent or incapable of managing their affairs; or
- 17.2.2.5 anything else happens, or any action is taken or not taken, which might (apart from this Condition) affect the liability of the Guarantor.
- 17.2.3 The Guarantor does not have any rights or interests in any money held by us or acquired by us, whether from you or any other source, towards the reduction of the Total Debt.
- 17.2.4 The Guarantor agrees:-
  - 17.2.4.1 not to share in any security we have or take any security from you or any other person in connection with this guarantee;
  - 17.2.4.2 not to enforce any right or pursue any claim against the Borrower or any other persons in respect of the Mortgage; and
  - 17.2.4.3 not to make any claim which would compete with ours, unless and until the Total Debt has been repaid in full.
- 17.2.5 The Guarantor will not be responsible for any Loan other than the original Loan or Interest relating to any additional Loan unless the Guarantor has consented to that additional Loan in writing.
- 17.2.6 Unless the Guarantor agrees otherwise, the Guarantor's liability is limited to the amount of the original Loan together with all Interest, Costs and Fees forming part of the Total Debt which relate to that Loan.
- 17.2.7 If there is more than one Guarantor, each Guarantor is separately responsible for the whole of the obligations and liabilities of the Guarantor under the Conditions.
- 17.2.8 Our rights against any Guarantor are independent of, and additional to, any other security we have for the Total Debt. We do not have to use our rights in respect of any other security before using our rights to claim against the Guarantor.
- 17.2.9 No failure or delay by us in using any of our rights against the Guarantor will prevent us from using those rights in the future.
- 17.2.10 We may hold any money we receive from a Guarantor in a separate suspense account.
- 17.2.11 You consent to our providing information about the Mortgage to the Guarantor.

## **When we can ask you to repay the mortgage in full and what happens if you don't do so**

### **18 When we can ask you to repay the mortgage in full**

- 18.1 In certain circumstances we may write to you and require you to pay us everything you owe us immediately and take steps to end the mortgage. We'll only do this if:
  - 18.1.1 you've failed to make payment of an amount equal to two or more of the monthly payments on the mortgage, and we have exhausted all reasonable options available to you;
  - 18.1.2 you don't repay the money you owe us at the end of the mortgage term;
  - 18.1.3 you breach any term of the agreement (other than for the payment of money) in a way that is more than minor and that you can't fix quickly;
  - 18.1.4 you're made bankrupt;
  - 18.1.5 you start, or have started against you, any other form of steps or actions in respect of your insolvency (however described), including proceedings to compromise or seek relief from your debts or creditors, or if you appear to be unable to pay your debts when they fall due;
  - 18.1.6 you gave us incorrect or incomplete information when you applied for the mortgage and we wouldn't have lent the money to you if you'd given us the correct or complete information;
  - 18.1.7 we believe (acting reasonably) that the property has been abandoned;
  - 18.1.8 the property is compulsorily acquired (for example, a local authority forces you to sell the property to them);
  - 18.1.9 the property is leasehold and you breach the terms of the lease, for example, you don't pay the ground rent or service charge;
  - 18.1.10 you die or you are joint borrowers and the last surviving one of you dies;
  - 18.1.11 you have stopped occupying the property to go into long-term care or you are joint borrowers and both of you have done so;
  - 18.1.12 any of the above events occurs in respect of a person or legal entity which has provided a guarantee or security in respect of the agreement; or
  - 18.1.13 a person or legal entity which has provided a guarantee or security in respect of the agreement breaches the terms of their guarantee or security, or tries to terminate to revoke it.
- 18.2 If you don't repay everything you owe us when requested and we obtain a court

- judgment against you for that amount (or part of it) you will pay interest on the amount of that judgment at the rate set by the court, or if none is set by the court, at the interest rate.
- 18.3 If you move to live outside the United Kingdom (or we reasonably believe that you have done so) and we believe that your move outside the United Kingdom might cause us to:
- 18.3.1 break any laws or regulations in the United Kingdom or elsewhere; or  
be subject to action from any government, regulator or other authority in the United Kingdom or elsewhere, we may not be able to provide you with your mortgage or some mortgage services (such as product transfers or additional borrowing). We may also ask you to repay everything you owe under your mortgage.
- 18.4 If we ask you to repay your mortgage for the reasons specified in condition 18.3 we will give you 6 months' notice, unless the regulator in the country that you're living in insists we ask you to repay your mortgage sooner. If so, we will give you less notice. At the end of this notice period, you must pay everything you owe us immediately if you haven't already done so. If you don't repay everything you owe, we might take the action in condition 19.
- 19 Action we may take**
- 19.1 If any of the events in condition 18.1 happen and you are required to pay us the money you owe us, we may immediately take steps to:
- 19.1.1 repossess the property;
- 19.1.2 sell the property;
- 19.1.3 appoint a receiver to collect the rent.
- 19.2 We can take any of these steps free of any restrictions in the LPA.
- 19.3 We can also use other enforcement rights under the LPA, again free of any restrictions in the LPA. These enforcement rights include:
- 19.3.1 Carrying out any repairs or building work necessary to ensure that the property is in good condition (including obtaining any consents necessary for such work).
- 19.3.2 Granting leases or tenancies of the property on whatever terms we choose. We can also vary the terms of, end, review or accept the surrender of leases over the property. If the property is let, we can collect any rent payable.
- 19.4 We may appoint a receiver to take these steps instead of us. A receiver is someone we can appoint to manage and sell the property, including collecting the rent. The receiver may be one of our employees or anyone else we choose. Although we would appoint the receiver, they would act for you and in your name (not ours) and you'd have to pay their fees.
- 19.5 Where we appoint more than one receiver, they may be given the power to act together or on their own. We may from time to time remove the receiver and appoint someone else.
- 19.6 If we, or a receiver appointed by us, take possession of the property you must remove all furniture and other personal property within 14 days. If you don't, we can remove store or sell any items left on the property. We won't be responsible for any loss or damage caused by us doing this unless we don't take reasonable care.
- 19.7 If we or an agent sell the property after enforcement action against you, you must still pay us any amount by which the sale process falls short of the amount you owe us. If you don't pay this shortfall when we tell you it is due, we will continue to charge interest on it at the interest rate.
- 20 Acting on your behalf**
- 20.1 By way of security for your obligations under the agreement, you appoint and authorise us and any receiver to be your attorney and to take such action as is necessary to use, protect and enforce our rights under this mortgage in your name and on your behalf.
- 20.2 The actions we (and any receiver) can take using this power include, but are not limited to, the following:
- 20.2.1 signing and completing any document, including a document that is needed to rectify title to the property or give us security over any additional rights you may obtain in respect of the property;
- 20.2.2 transferring your share or interest in any residents' society or management company;
- 20.2.3 sharing information with others who have an interest in the property; and
- 20.2.4 settling any claim by your landlord, management company or commonhold association.
- 20.3 We (and any receiver) are appointed as your attorney for as long as you owe us money and your property is security for any money you owe us. You can't revoke this power of attorney.

## How we will communicate with you, changes we can make to the agreement and other terms to be aware of

### 21 Communicating with you

- 21.1 You must keep us informed of any change of your correspondence address.
- 21.2 If you are not resident in the United Kingdom, you must provide us with a correspondence address or the details of a person authorised to receive correspondence on your behalf (known as a "process agent") to which we can send regulatory, legal and contractual correspondence. Your "process agent" should be a family member and resident in the UK.
- 21.3 If we need to contact you, we'll write to you by post or email to the address or email address that you've given us for this purpose. We'll assume you've received it:
- within two working days after posting it; or
  - on the day we sent the email.
- 21.4 We may also contact you by telephone, using the telephone number that you have given us.
- 21.5 We'll always communicate with you in connection with your mortgage in the English language.
- 21.6 If you need to contact us, you can either call us or write to us using the contact details at the end of the document.

### 22 Changes to the agreement

- 22.1 We may make a change that we reasonably think will not be to your disadvantage. We may also change the terms and conditions of the agreement if it is reasonable to do so to:
- 22.1.1 help comply with any legal and regulatory requirements;
- 22.1.2 help comply with any change in how laws and regulations are applied or interpreted, for example, to take account of any decision by a court or ombudsman;
- 22.1.3 reflect an improvement in any service or facility we provide in connection with the agreement or to introduce a new service or facility; or
- 22.1.4 enable us to make reasonable changes to the way we look after your mortgage as a result of changes to the banking or financial system which are beyond our control.
- 22.2 We'll make sure that any change is proportionate to the reason for making it and we'll give you at least one month's notice.

### 23 Transferring your mortgage

- 23.1 We can transfer any or all of our rights under the mortgage and our agreement to another person at any time. For example, we could sell your mortgage to someone else, so that they can benefit from the income from the amounts you pay under the agreement. If we do so, it means that you will have to do everything you have to under our agreement for them, instead of for us.
- 23.2 If this happens, it won't reduce your rights under the mortgage. As part of this agreement, we can share information we hold about you with the person we're transferring our rights to. You also agree that we may give details about the mortgage and our agreement (including your name and address) to anyone we are discussing transferring the mortgage and our agreement to.
- 23.3 You can't transfer your rights or obligations under the mortgage to anyone else.

### 24 Complaints

- 24.1 We strive to give you the highest standards of products and services. We understand that things don't always go to plan, and there may be times when we don't live up to your expectations. If this happens, we want you to tell us. We'll do our very best to put things right, as quickly as possible and to your satisfaction.
- 24.2 We will fully investigate every complaint about our services. Even if your complaint relates to a particular policy decision and we are not necessarily able to change things, we will explain it to
- 24.3 For a full outline of our complaints procedures and how to make a complaint, please go to our website: <https://www.penrithbs.co.uk/complaints/>
- 24.4 If you're unhappy with our final response to your complaint, you may be eligible to ask the FOS for an independent review.

### 25 Data protection and retention of records

- 25.1 We are a "Controller" of your "Personal Data" (as each term is defined in the UK General Data Protection Regulation). A full explanation of how we use your personal data and your rights in relation to your personal data is set out in the Privacy Notice, which is available at: <https://www.penrithbs.co.uk/privacy-policy-2/>
- 25.2 In considering your application, we may search your records at Credit Reference Agencies and Fraud Prevention Agencies. We may also make such searches from time to time during the duration of your mortgage. A full description of these

searches and how we report information to Credit Reference Agencies and Fraud Prevention Agencies throughout the duration of our relationship with you is set out in the Privacy Notice referred to above.

## **26 Other terms to be aware of**

- 26.1 If we decide not to enforce any part of these mortgage conditions or delay enforcing it, such delay or inaction will not affect our right to enforce the same part at a later date.
- 26.2 Each of the provisions of these mortgage conditions are distinct from each other. If one or more provisions becomes illegal, invalid, void or unenforceable, this will not affect any of the remaining provisions and the remaining provisions shall apply as if the illegal, invalid, void or unenforceable term had not been included.
- 26.3 You agree to sign any document that we may need to safeguard the mortgage or our other security or to protect our interests in your property. We will prepare any documents at your cost.
- 26.4 The Contracts (Rights of Third Parties) Act 1999 will not apply to the agreement. However, if we transfer any of our rights under the mortgage and our agreement to another person, they will be able to use the rights we have transferred.

## **27 The law that applies**

The agreement is governed by the laws of England and Wales. Those laws will also govern any legal questions about our relations relevant to the agreement with you before the agreement is entered into.

## **Part B Your membership of the Society**

Certain customers of building societies become “members” of it, meaning that they own a stake. When you sign your mortgage deed, you automatically become a “borrowing member” of Penrith Building Society. This gives you certain rights to vote on and participate in votes which are put to members of the Society.

It also means that you are bound by the Society’s Rules, a copy of which is available on our website or on request.

If there is more than one of you, only one borrower can be a member of the Society. They will be known as the “representative joint borrower”. By default, the first person named on the mortgage application form will be registered by us as your representative joint borrower.

If you want to change the identity of your representative joint borrower, you can do so by contacting us in one of the ways set out in Part C. The change will take effect when we update our records.

Your (or the representative joint borrower’s) membership of the Society will come to an end once the mortgage is repaid, or if we enforce the mortgage against you, or sell our rights to your mortgage to someone else.

## **Part C Important Information**

### **1 How to contact us**

You can contact us using the following details:

#### By telephone

01768 863675

Calls may be recorded to help the Society maintain high standards of service delivery.

#### By post

7 King Street, Penrith, Cumbria, CA11 7AR

#### By email

support@penrithbs.co.uk

#### Through our website

www.penrithbs.co.uk

### **2 How we’re regulated**

Penrith Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority, Registration Number 164473.

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

**YOUR MORTGAGE IS SECURED ON YOUR HOME.  
THINK CAREFULLY BEFORE SECURING OTHER  
DEBTS AGAINST YOUR HOME.**