

mortgage conditions (Scottish edition) 2016

the co-operative bank p.l.c.
(trading as platform)

These Conditions are legally binding on you and include restrictions and requirements concerning the use of the property to be mortgaged.

You should read and understand the Conditions and refer any queries to your independent legal advisors.

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DEFINITIONS

“Act”

means the Conveyancing and Feudal Reform (Scotland) Act 1970.

“Bank of England Base Rate”

means the repo rate decided by the Monetary Policy Committee of the Bank of England from time to time. If for any reason it is not possible to determine such rate the Bank of England Base Rate will be such rate we reasonably decide is a comparable rate at that time.

“Business Day”

means a day (other than a Saturday) on which banks in London generally are open for transacting business of the nature required for the purposes of the Mortgage.

“Conditions”

means the Conditions in this deed and the Standard Conditions as varied by the Mortgage and reference to a specific Condition is to the relevant Condition in this deed.

“Costs”

means all costs, fees, charges and expenses which may be incurred in connection with the Mortgage as described in Condition 7.

“Interest Payment Day”

means the day of the month specified in your acceptance of the Mortgage Offer as the day you wish to make your Monthly Payments, which can be no later than the 28th of each month, or as otherwise advised by us from time to time in accordance with Condition 3.8. You can vary this day from time to time by giving us at least 30 days advance written notice. If you change the Interest Payment Day then interest will be due and payable which will not automatically be collected in the Monthly Payment following the change.

“Interest Rate”

means the rate of interest applicable to sums outstanding under the Mortgage and calculated in accordance with Condition 2A, 2B or 2C (as specified in the Mortgage Offer).

“Issue Date”

means the date on which we send the Loan Amount (less any amount retained by us) to your solicitors or to any other party specified (whether by cheque, banker's draft, credit transfer or in any other way).

“Libor”

means the three month London Interbank Offered Rate for deposits in sterling quoted by or designated for the British Bankers Association as at 11.00am on the relevant Recalculation Date, rounded up (if relevant) to the nearest 1/8th %. If for any reason it is not possible to determine such rate Libor will be such rate which we reasonably decide is a comparable rate at that time.

“Loan Amount”

means the amount of the loan which we propose to make to you, as specified in the Mortgage Offer, or as the context requires the amount of such loan outstanding from time to time.

“Monthly Payment”

means the Monthly Payment specified by us in the Mortgage Offer as varied from time to time.

“Mortgage”

means the standard security over the Property, granted by you as security for the repayment of the Secured Amounts, and which incorporates and includes the Conditions and the Mortgage Offer.

“Mortgage Offer”

means the written notice or notices described as the Mortgage Offer provided to you before the date of the Mortgage stating that we are prepared in principle to make a loan to you and to provide other facilities mentioned in the Mortgage Offer (including any written variation of that notice or notices and any subsequent offer of further advance where the repayment of such further advance is or is intended to be secured by the Mortgage) and includes (for the avoidance of doubt) all general and special Conditions (if any) applicable to the Mortgage Offer.

“Property”

shall include all property secured or intended to be secured by you to us and all additions and other things on, and intended to form part of, the Property.

“Recalculation Date”

means the dates on which the Interest Rate will be re-set in accordance with the Mortgage Offer or such dates as you have otherwise been advised by us from time to time in accordance with Condition 3.8.

“Secured Amounts”

means:

- (a) the Loan Amount and any further advance or advances made by us to you, or the balance in each case owed by you to us from time to time;
- (b) interest payable on the amounts referred to in paragraph (a);
- (c) any other amounts which are or which may become, or are expressed to be, payable by you to us under the provisions of the Mortgage or any security which is additional to the Mortgage or under any other document creating any Security Interest in favour of us in relation to your obligations to us; and
- (d) all other money for the time being due by you to us whether of principal, interest or otherwise and whether incurred by you as principal and including money due to us pursuant to the Mortgage Offer.

The Secured Amounts do not include any monies or liabilities regulated by the Consumer Credit Act 1974 (as amended by the Consumer Credit Act 2006), unless you agree otherwise with us.

“Security Interest”

means any standard security, assignation in security, right of set-off, lien or other security interest (including any arising or imposed as a matter of law or under legislation).

“Standard Conditions”

means the standard Conditions set out in Schedule 3 to the Act.

“Standard Variable Rate”

means our standard variable rate of interest which can be changed by us at anytime under Condition 2.

“Tariff of Charges”

means our schedule of fees and charges as amended, substituted or replaced from time to time.

“We” and “Us”

means the company defined as the “Lender” in the Mortgage, being The Co-operative Bank p.l.c. (trading as Platform), and includes its successors, assignees and transferees (whether legal or beneficial or whether by absolute assignment or by way of novation or by way of security only).

“You”

means the person(s) named as the Borrower in the Mortgage and each such person’s executors, personal representatives, successors, assignees and transferees.

INTERPRETATION

In the Mortgage:

- (a) Reference to any Act of Parliament or other legislation is a reference to that Act or legislation as from time to time amended or re-enacted;
- (b) Reference to a document is to that document as amended, substituted or replaced from time to time;
- (c) The singular includes the plural and vice versa; and
- (d) If there is more than one of you, then:
 - (i) the Conditions apply to all of you together and to each of you on your own. This means that each of you is fully responsible for complying with all of the Conditions; and
 - (ii) references to "you" in the Conditions are to either or any or all of you, as the context requires.
- (e) Where you must get our approval and consent under these Conditions before doing something, we will not unreasonably withhold or delay such approval (it is reasonable for us to refuse to approve something we reasonably think may make it less likely you can repay us, because it may negatively affect our security or the value of the Property or have some other negative impact on us in relation to the Loan Amount).
- (f) If we have the power to require something then, unless otherwise specified, we will not require it unless it is reasonable for us to do so. It will be reasonable for us to do so if, for example, in our reasonable opinion it will or might assist in the preservation of our security or the value of the Property.

1. AGREEMENT TO PAY

1.1 You agree as follows:

- (a) You shall pay to us the Monthly Payment on each Interest Payment Day until the Secured Amounts have been repaid in full;
- (b) Each Monthly Payment must be made by you to us by direct debit from a current account maintained by you at a bank or building society. We may consider accepting another form of payment from you, although an additional administration fee may be charged in those circumstances. If any direct debit payment is refused or recalled by your bank or building society, then we shall charge you an administration fee for each unsuccessful application for payment. The amount of such administration fee shall be determined in accordance with the then current Tariff of Charges and shall be payable by you on demand;
- (c) If any Monthly Payment or any other sum due under the Mortgage is not paid on the due date, it shall bear interest at the Interest Rate in respect of the period commencing on the date it became due and payable and ending on the date on which it is actually paid. In addition, an administration fee may be payable if a Monthly Payment is overdue as specified in the then current Tariff of Charges. If you do not pay any Monthly Payment when it is due, the next Monthly Payment received by us will be applied to pay the oldest unpaid Monthly Payment due to us.

1.2 You also agree:

- (a) To pay to us the Secured Amounts and in particular to pay to us (together where applicable with interest on each and every such sum) each and every sum to be paid pursuant to the Conditions and each and every sum to be paid pursuant to the Mortgage Offer (in accordance with the terms and at the times and in the manner specified in the Mortgage Offer);
- (b) That if on a sale or other realisation by us of our security over the Property, the net proceeds are insufficient to pay the Secured Amounts due to us, you will promptly pay the amount of that shortfall with interest at the Interest Rate (both after and before any court decree) until all of the Secured Amounts are paid in full;
- (c) The whole of the Secured Amounts shall be immediately due and payable in full, without demand, if any of the events or circumstances set out in Condition 8 occurs;
- (d) We may at any time or times in our absolute discretion (but shall not be obliged to):
 - (i) accept payments other than those payable under the Conditions or the Mortgage Offer;
 - (ii) return any payments or give further time for the payment of any of the Secured Amounts; and

- (iii) generally make any other arrangements as to the manner or time for payment of any money (whether principal, interest or otherwise), and none of these things shall in any way:
 - (iv) prejudice or affect our power to sell the Property or any of our other powers; or
 - (v) make us liable for the exercise of any such power in any case where we would not have been liable if the payment or arrangement had not been made; or
 - (vi) release, or in any way affect, or lessen, your liability.
- 1.3 You shall pay interest to us on the Loan Amount (less any amount specified by us in the Mortgage Offer as a retention) **from and including the Issue Date** to the date of payment in full of the Loan Amount. Interest shall be payable on any amount of the Loan Amount specified in the Mortgage Offer as a retention from the date on which it is sent by us to you or your solicitors or any other party specified by you. Interest shall accrue at the Interest Rate on a daily basis and shall be paid on all Secured Amounts which are not paid on the due date.
- 1.4 You shall pay to us Costs in the amount set out in the Tariff of Charges which may be varied in accordance with the circumstances as described in Condition 7.
- 1.5 You shall make each payment due under the Mortgage promptly and in full. If you fail to pay an amount that you are obliged to pay you may incur interest on any such amounts as set out in Condition 1.1 (c). All payment queries should be referred to our mortgage administration department as soon as practicable.
- 1.6 We reserve the right not to accept any payments from you under the Mortgage if we reasonably believe that there may be fraudulent activity or other financial crime affecting the Mortgage.

2. THE INTEREST RATE

- 2.1 The Mortgage Offer specifies the Interest Rate applicable to the Mortgage at the date of the Mortgage Offer.
- 2.2 A change in the Interest Rate will result in a change in the Monthly Payment by the second Interest Payment Day following the change in the Interest Rate. We shall notify you in writing of changes in the Interest Rate and in the Monthly Payments.
- 2A Changes to the Standard Variable Rate
- 2A.1 If the Interest Rate is our Standard Variable Rate we may vary it at anytime (including before any Loan Amount is released), for the following reasons:
- (a) to take account, in a proportionate manner, of a change which has occurred, or which we reasonably expect to occur, in the Bank of England Base Rate;
 - (b) to take account, in a proportionate manner, of changes which have occurred, or we reasonably expect to occur, in the cost to us of raising money we lend to our mortgage customers;
 - (c) to take account, in a proportionate manner, of a change which has occurred, or which we reasonably expect to occur, in the interest rates charged by other mortgage lenders which we regard as being comparable to us;
 - (d) to take account, in a proportionate manner, of any changes in relevant laws, codes of practice or regulations; and
 - (e) to take account, in a proportionate manner, of any decision, requirement, or recommendation by a court, ombudsman, regulator or similar body.
- 2B Changes to the Libor linked rate
- 2B.1 If the Interest Rate is linked to Libor, the Interest Rate will be the higher of:
- (a) the Libor rate and the rate specified in the Mortgage Offer as the margin (the Margin); and
 - (b) any rate specified in the Mortgage Offer as the floor (the Floor).
- 2B.2 You should be aware that as a result of the calculation in Condition 2B.1, the Interest Rate, even though expressed to be linked to the Libor rate, may be subject to a Floor. If and for so long as the total of the actual Libor rate and the Margin is less than or falls to less than any Floor, then the Interest Rate will be equal to the Floor.
- 2B.3 The Interest Rate will be re-calculated on each Recalculation Date.
- 2C Changes to base rate linked rate
- 2C.1 If the Interest Rate is linked to the Bank of England Base Rate, the Interest Rate will be the higher of:
- (a) the Bank of England Base Rate and the rate specified in the Mortgage Offer as the margin (the Margin); and
 - (b) any rate specified in the Mortgage Offer as the floor (the Floor).

- 2C.2 You should be aware that as a result of the calculation in Condition 2C.1, the Interest Rate, even though expressed to be linked to the Bank of England Base Rate may be subject to a Floor. If and for so long as the total of the actual Bank of England Base Rate and the Margin is less than or falls to less than any Floor, then the Interest Rate will be equal to the Floor.
- 2C.3 The Interest Rate will be re-calculated on each Recalculation Date.

3. MONTHLY PAYMENTS

- 3.1 The Loan Amount, interest and other sums payable to us by you are to be paid by Monthly Payments. A Monthly Payment shall be paid on each Interest Payment Day and shall provide for:
- (a) payment of interest; and
 - (b) payment of other sums due to us.
- However the amount of accrued interest which is due and payable in a month may be more or less than the amount of interest that is included in the Monthly Payment for that month.
- 3.2 The amount of the Monthly Payments will be adjusted to take account of any changes to the Interest Rate by the second Interest Payment Day following the change in the Interest Rate. In addition the amount of the Monthly Payment may be increased or reduced at any time during the term of the Mortgage so as to take into account any additional amount which we may require to be paid to us in respect of a further advance made to you by us subject to the Conditions or so as to take into account any other adjustment to the Secured Amounts as is reasonably contemplated under these Mortgage Conditions or if any charges or fees are payable.
- 3.3 If we are satisfied at any time that you are entitled to tax relief on interest payments, we may notify you in writing of the net amount payable, taking into account the tax relief due. This amount may change from time to time if, among other things, the rate of tax relief changes.
- 3.4 The Monthly Payment may be varied by us at any time so as to bring it to the nearest complete sum of £1.00 above the amount at which it stands or would stand if calculated precisely.
- 3.5 For the avoidance of doubt and without prejudice to any of our other rights or remedies we may, at our option but with prior reasonable notice to you, increase the Monthly Payment to provide for increased repayment of capital throughout the term of the Mortgage if we reasonably consider that there may be no or insufficient funds for the repayment of the Secured Amounts at the end of the term of the Mortgage.
- 3.6 We will give you written notice of any change in the Monthly Payment or if any charges or fees are payable. If you are paying by direct debit, notice of a change in the amount which we may collect under the direct debit mandate will be deemed to be a written notice for the purpose of this Condition.
- 3.7 When you redeem and repay all of the Secured Amounts, your last Monthly Payment made before redemption may not be a cleared payment and it will not be included in the calculation of the amount of the Secured Amounts outstanding as at redemption. However, an amount equal to that Monthly Repayment will be returned to you 10 days after your redemption of the Mortgage if we are satisfied that such Monthly Repayment has been cleared and received by us.
- 3.8 We have the right to change :
- (a) our procedures for charging interest,
 - (b) our procedure for calculating Monthly Payments,
 - (c) the Interest Payment Day, or
 - (d) the Recalculation Date
- where it is reasonable to do so at any time for any of the following reasons :
- a) to take account of changes in technology;
 - b) to take account, in a proportionate manner, of the requirements of, or recommendations made by, the Financial Conduct Authority or any other body responsible for regulating our business; or
 - c) if it is necessary or prudent for us to do so to operate or develop our business.
- We will, where practicable, give you 3 months written notice of any of the above changes before they come into effect.

4. EARLY REPAYMENT

- 4.1 Secured Amounts may be repaid in whole or in part on any Business Day either by you, at your, discretion, or by us when we exercise our power of sale under Condition 8. Such Secured Amounts may be repaid provided that you pay to us any applicable charge or fee set out in either the Mortgage Offer or our then Tariff of Charges.
- 4.2 Subject to Condition 4.3, you may make early repayment of part of the Secured Amounts and if the part repayment is of £1,000 or more, we will recalculate your Monthly Payment.
- 4.3 If:
- (a) the amount you pay to us on any Interest Payment Day exceeds the amount of your Monthly Payment of less than £1,000 or
 - (b) you make early repayment of only part of the Secured Amounts of less than £1,000.
- We will not recalculate your Monthly Payment until your Monthly Payment next changes as a result of a change to the Interest Rate.
- 4.4 We shall apply all repayments made under this Condition 4, to reduce the Loan Amount on the Business Day that we receive the monies, or if a payment is made by cheque after we have received confirmation of cleared funds. A deduction will be made for any fee or charge payable by you as set out in the Mortgage Offer or our then Tariff of Charges.

5. YOUR OBLIGATIONS

- 5.1 You agree that you will **not** do any of the following **without our prior written consent**:
- (a) Create or allow to exist any standard security or any other Security Interest upon the Property;
 - (b) Transfer or convey all or any part of the Property to any person (other than you);
 - (c) Allow anyone else to acquire any rights over the Property, grant any lease or tenancy of the Property, give any person any contractual or other licence or right to occupy the Property, accept the surrender of any lease or share the Property with anyone else;
 - (d) Do or fail to do on the Property anything which would contravene any legislation in force relating to town and country planning or environmental laws;
 - (e) Use the Property except as a single private dwelling house and as your private residence unless we have already given permission for an alternative use for the Property in the Mortgage Offer;
 - (f) Apply for or obtain an improvement grant or other similar grant, make any structural alterations or additions to the Property or demolish or remove anything which is intended to form part of the Property, except to replace it with something similar of the same or greater value;
 - (g) Do, or fail to do, or allow anything to be done, or not to be done, which may result in the Property becoming subject to any statutory or other legal right which may bind us;
 - (h) **Negotiate, waive or settle** any claim for compensation (whether payable under any enactment or otherwise) in respect of the **compulsory acquisition**, loss of, damage to, or reduction in value of the Property;
 - (i) **Close the current account** maintained by you from which Monthly Payments are made or alter the direct debit mandate to the bank or building society at which such account is maintained or make any other alterations to the method of payment agreed with us;
 - (j) Do or fail to do anything which might result in the Property being damaged or reduced in value or allow anything which might damage the Property or reduce its value.
- 5.2 You further agree that you will do all of the following:
- (a) **Promptly notify us in writing** if and whenever the **Property shall be left vacant** for a period exceeding 28 days;
 - (b) **Promptly notify us in writing** of any notice or information received by you concerning any proposal for the **compulsory acquisition** of the Property or any part of it, or any other matter which might adversely affect the value of the Property including, without limitation, any planning application and (at your cost) to take any action regarding the same as we may reasonably require;
 - (c) **Keep the Property in good and substantial repair and condition** and good decorative order and keep the gardens (if any) in good order and properly cultivated;

- (d) **Perform and observe all title conditions, stipulations, regulations and agreements** affecting the Property, including any obligations under any lease, licence or other document under which the Property is held or used;
- (e) **Comply with all statutory and other requirements** of all competent authorities which affect or relate to the Property and provide written evidence of such compliance to us on request;
- (f) Punctually **pay all taxes, rates, rents and outgoings assessed or payable on the Property** or by the owner or occupier of the Property and to discharge all liabilities which rank or may come to rank in priority to the security contained in the Mortgage;
- (g) **Allow us** (and any persons authorised by us) to have **access to the Property** at all reasonable times and after reasonable notice to carry out any survey or inspection which we may reasonably decide to be necessary and to do any work which you have failed to do in accordance with your obligations under the Conditions;
- (h) Where we have retained any of the Loan Amount **until you complete specified works** to the Property, carry out and complete those works within six months of the Issue Date to the reasonable satisfaction of our surveyor and to pay his reasonable re-inspection fee (if any);
- (i) (If the Property is held under a long lease) grant a standard security to us (in such form as we shall reasonably require) over any superior lease or the landlord's interest or any extension or renewal of the lease term in the Property which you may acquire after the date of this Mortgage; and
- (j) Where there is more than one borrower, promptly notify us in writing if any one of you dies.

If you fail to observe or punctually to perform any of your obligations under the Mortgage, we shall have power on your behalf or otherwise to perform any or all of those obligations and to take any steps which we may reasonably think necessary to remedy the failure. However, the exercise of that power or the failure to exercise it shall in no circumstances prejudice our rights under the terms of the Mortgage and our waiver of any breach of the Conditions or of the Mortgage shall not prevent the subsequent enforcement of any of them and shall not be deemed a waiver of any subsequent breach.

6. INSURANCE

- 6.1 You further agree (but subject to Condition 6.5 below) **to keep the Property insured to its full rebuilding cost** (which shall be not less than the amount determined by us) under a policy which shall:
- (a) include provision for adjustment of the sum insured at least annually and in accordance with the published alterations in the House Rebuilding Cost Index prepared by the Royal Institution of Chartered Surveyors or such other index as we shall reasonably approve;
 - (b) include provision for architects' and surveyors' fees and costs of demolition and debris removal;
 - (c) provide insurance with insurers approved by us, our approval not to be unreasonably withheld;
 - (d) provide cover **against loss or damage by fire, storm or flood, burst pipes, lightning, explosion, riot, civil commotion, malicious damage, impact by aircraft other aerial devices or articles dropped from aircraft, or by any road vehicle, train, animal or falling tree, earthquake, subsidence, heave and landslide and such additional or other risks as we may from time to time reasonably specify;** and
 - (e) in every case with our interest noted on the relevant policy.
- 6.2 **You shall promptly pay all premiums and other sums payable** in respect of all insurances required under the Conditions and shall deliver to us all or any of the policies. On demand, you shall produce the receipts for the last premiums payable or shall provide other evidence satisfactory to us as to the terms of insurance and the payment of premiums.
- 6.3 You shall not do, permit to be done or fail to do anything on the Property which may prejudicially affect the insurance of the Property or which may increase the premium payable in relation to such insurance.
- 6.4 **You shall hold any monies received** by you in respect of any insurance of the Property (whether maintained under the Conditions or not) on trust to apply those monies:
- (i) in replacing or repairing the Property in respect of which the monies were received; or
 - (ii) if any of the Secured Amounts have become due, in or towards discharging those Secured Amounts.
- 6.5 To the extent that, in terms of the title under which the Property is held, another party has agreed with you:
- (a) to insure the Property against all or any of the risks mentioned in Condition 6.1, for the full rebuilding cost of the Property; and

(b) to apply the insurance monies in or towards making good the loss or damage in respect of which such monies are received;

and provided that:

(c) a note of the interests of you and us as heritable creditor has been endorsed on the relevant policy; and

(d) you produce to us when so requested the policy of such insurance, or a certified copy, or full and sufficient details of the policy and from time to time evidence of the payment of the current premium payable, we will accept such policy as satisfying, or (as the case may be) partially satisfying, your obligations as to insurance contained in Condition 6.1.

7. FEES AND EXPENSES

7.1 You further agree **on demand to pay all Costs** by, or charged to, us in connection with the Mortgage including, but not limited to, all reasonable costs, fees, charges and expenses (including legal fees, administration costs, additional funding costs and any tax on these) paid or incurred by, or charged to, us in connection with the Mortgage including (but not limited to) the examples given in Condition 7.2.

7.2

(a) Where Costs arise because you ask us to provide a document or service in connection with the Mortgage, whether to you or anyone else, the amount of the Cost we charge you will be as set out from time to time in our Tariff of Charges. Examples of activities we may charge for under this paragraph include (but are not limited to):

- supplying or copying deeds or documents to you or anyone acting for you;
- discharging the Mortgage;
- releasing the Property or the Related Rights (as defined in Condition 15.1) from our security;
- releasing any title deeds;
- processing your application for any further advance and for any change in the terms of the Mortgage Offer;
- giving you any assistance or information in connection with the Property, the Mortgage Offer or the Mortgage.

(b) Where we incur a Cost to safeguard our security or because you fail to fulfill an obligation you have under the Mortgage Offer or the Mortgage you must pay us all reasonable Costs which we reasonably incur to protect our position or as a result of your failure. Where we are able to make a genuine pre-estimate of the expenses we are likely to incur, the amount of the Cost we will charge will be set out from time to time in our Tariff of Charges and will be limited to this amount but otherwise will be unlimited in amount. Examples of activities for which we may make a charge under this paragraph include (but are not limited to):

- any legal proceedings relating to the Mortgage (this applies whether or not you are a party to the proceedings);
- exercising any of the rights or powers given to us by statute or the Conditions;
- recovering any of the Secured Amounts;
- protecting or preserving our security;
- checking that any insurance of the Property that you have arranged is adequate for our purposes;
- insuring the Property where you have asked us to do so or failed to do so in breach of your obligation under the Mortgage.

7.3 The amounts payable under Condition 7.2 shall carry interest at the Interest Rate from the date on which they are paid, incurred or charged by or to us until the date of payment by you.

7.4 We can at any time vary or add to the Costs set out in our Tariff of Charges if it is to your advantage (for example if we reduce or abolish any Cost) or for any one or more of the following reasons (which may relate to circumstances existing at the time or those which we reasonably expect to apply in the near future):

- (a) to take account, in a proportionate manner, of reasonable changes to our costs in providing the service for which the Cost is made;
- (b) to take account, in a proportionate manner, of any changes in relevant laws, codes of practice or regulations or to take account of any decision, requirement or recommendation by a court, ombudsman or regulator;
- (c) to take account of, in a proportionate manner, inflation;
- (d) to take account of, in a proportionate manner, the additional cost of any changes to or improvements we make to the services or facilities we already provide to our mortgage customers, including technological change;
- (e) to take account of, in a proportionate manner, changes we may reasonably make in the activities we carry out or to carry out new activities;

- (f) where we reasonably consider a change to be fairer to our customers or to correct error;
- (g) to maintain the financial strength of our business in the interests of all our customers;
- (h) by agreement with you;
- (i) in the event of us being taken over by, or merging with, another mortgage provider, to enable us to bring the Costs charged by both parties in line with each other in a reasonable manner.

7.5 We have sent you a copy of our Tariff of Charges with the Mortgage Offer. You can find out about our current Tariff of Charges at any time by contacting us, for example, by telephone or looking on our website.

8. OUR RIGHTS AND REMEDIES - OUR RIGHT TO SELL THE PROPERTY

In addition to the circumstances specified in the Act, you shall be in default in terms of Standard Condition 9(1)(b) and our right to sell the Property and all other remedies under the Mortgage shall be exercisable immediately in any of the following cases:

- (a) if you fail to pay an amount equal to two Monthly Payments due under the Mortgage;
- (b) if there is a material or persistent breach of any other Condition or agreement on your part and you shall have failed to remedy that breach within a reasonable time of us requiring such breach to be remedied;
- (c) if you are sequestered or a bankruptcy order is made against you (or any of you);
- (d) if you (or any of you) make a voluntary arrangement with or for the benefit of your (or any of your) creditors;
- (e) if anyone tries to seize your (or any of your) assets under a court order;
- (f) if a landlord tries to seize assets because you (or any of you) have not paid rent due in respect of the Property;
- (g) if the Property shall be compulsorily purchased;
- (h) if we become aware of any material misrepresentation in, or any material omission from, any information supplied to us in connection with the Mortgage.
- (i) if there is a material breach on your part of any other agreement, entered between you and us, and you shall have failed to remedy that breach within a reasonable time of us requiring such breach to be remedied;
- (j) upon the death of the borrower (or where there is more than one borrower upon the death of the last survivor of them)
- (k) if you surrender possession of the Property to us.

9. OUR RIGHTS AND REMEDIES - OUR ADDITIONAL POWERS

Our power to sell the Property and our other powers conferred by the Act are extended and varied so that we, at our absolute discretion, are authorised by you:

9.1

- (a) to sell the Property under an agreement where the purchaser would pay all or part of the purchase price at a later date or dates following completion (an agreement for deferred consideration), whether or not the agreement is secured by a Security Interest or a guarantee;
- (b) to grant any option to purchase the Property and to effect exchanges in relation to it;
- (c) to repair, replace and develop the Property with a view to selling the Property or offering it for sale and to apply for any appropriate permission, licence or approval in connection with any such repair, replacement or development;
- (d) to insure the Property (including maintaining, renewing and increasing insurances) against whatever risks (in addition to loss or damage by fire) and for whatever amounts as we may reasonably consider prudent and;
- (e) to manage the Property including collecting and receiving all rents, arranging any necessary repair and maintenance of the Property, ensuring compliance with the local authority requirements and serving notices under the relevant housing legislation.

9.2 We shall not be liable to account as heritable creditor in possession if we enter into possession of the Property. If and whenever we enter into possession of the Property, we shall be entitled at any time to go out of possession.

10. OUR RIGHTS AND REMEDIES - POWERS OF LEASING

The powers of leasing and accepting surrenders of leases conferred by Section 20 of the Act (these provisions give us certain rights after we take possession of the Property) are extended and varied to authorise us at any time after our right to enforce the Mortgage has become exercisable:

- (a) for such consideration as we may reasonably consider appropriate or in relation to Condition 10(ii) without consideration;
- (b) on such terms as we may reasonably consider appropriate; and
- (c) whether or not we are in possession of the Property;

to do all or any of the following:

- (i) **to grant (subject to the provisions of the Act) any lease of the Property** subject to and with the benefit of such obligations, conditions and provisions and generally upon whatever terms we may reasonably think appropriate; and
- (ii) **to accept or agree to accept any surrender of a lease** of the Property.

11. RIGHTS AND REMEDIES - YOUR GOODS

- 11.1 If we take possession of the Property and you have not removed any remaining furniture or goods within fourteen days, then we shall have full authority at your expense and risk to remove, store, sell and/or dispose of such furniture or goods in such manner and on such terms as we shall reasonably think fit.
- 11.2 Nothing contained in the Mortgage shall give us any security or rights in respect of any furniture or goods as mentioned in Condition 11.1 or to the proceeds of sale from them.
- 11.3 We shall have no liability whatever for any loss or damage caused by or following the exercise or purported exercise of the authorities specified in this Condition 11, provided that we were acting reasonably and in good faith at the relevant time.
- 11.4 The obligation to reimburse us contained in Condition 16 and given by you shall (without prejudice to the general application of that Condition) extend to any liabilities incurred by us in good faith regarding the sale, purported sale, attempted sale or disposal in good faith by us of any such furniture or goods in which any other person has an interest or ownership.

12. OUR RIGHTS AND REMEDIES – POSSESSION

You agree that, if you are in default and the Secured Amounts have become due and payable, **you shall vacate the Property and give us possession of it** after we have given you seven days' written notice requiring you to leave the Property. You further agree that we may apply for a court order or warrant for possession of the Property in any Sheriff Court in the area in which the Property is situated at any time after the period of seven days specified in the notice.

13. TRANSFER OR ASSIGNATION OF THE MORTGAGE

- 13.1 We may transfer, assign or grant security over the benefit of the Mortgage and/or the Mortgage Offer and/or any Security Interest supplemental or ancillary to the Mortgage and/or any other relevant documents to any person at any time at our absolute discretion.
- 13.2 In addition, we may at any time, without your consent and without notice to you, assign all or any of our rights and benefits and/or transfer all or any of our rights and obligations under the Mortgage or the beneficial interest therein, together with any Security Interest supplemental or ancillary to the Mortgage, to any person. Your own rights and obligations under the Mortgage will remain unaffected
- 13.3 We may, without your consent and without notice to you, provide a potential transferee or assignee or any person on their behalf with information in relation to you, the Mortgage and such other matters as we consider appropriate.
- 13.4 You agree that you will be bound to any transferee, assignee or chargee in the manner and on the terms that you are bound to us under the Mortgage.

14. PROTECTION OF THIRD PARTIES

A purchaser from us or any other person dealing with us can safely assume that we are acting within our powers. The rights of a purchaser in relation to the Property shall not be capable of challenge by reference to the exercise of such powers.

15. RELATED RIGHTS

- 15.1 In this Condition 15 "Related Rights" means:
- 15.1.1 any option to purchase the heritable title or superior lease or a new long lease of the Property;
 - 15.1.2 any right to receive money which becomes payable in respect of the Property or following any damage to or depreciation of the Property including money payable for mining subsidence or compulsory purchase;
 - 15.1.3 any share or membership rights in a residents' association or management company relating to the Property;
 - 15.1.4 all sums payable under any defective title or restrictive covenant indemnity insurance policy relating to the Property;
 - 15.1.5 any guarantees, warranties or insurances relating to the Property including guarantees for work done to the Property; and
 - 15.1.6 any other benefit or right of any kind relating to the Property or its construction or title.
- 15.2 As further security for the monies and liabilities secured by the Mortgage, by your signature of the Mortgage you assign the Related Rights to us and agree that we have the full power to get in, exercise and deal with all the Related Rights as if we were absolutely and beneficially entitled to them.
- 15.3 Any proceeds of the Related Rights, after deducting any costs, charges and expenses incurred by us, will be applied in reducing the Secured Amounts, and any surplus shall be paid to you.

16. AGREEMENT TO REIMBURSE US

- 16.1 You agree as a separate and independent agreement on demand to reimburse us against all reasonable costs, claims, proceedings and liabilities reasonably incurred by us which:
- (a) we may reasonably incur, or which may be made against us, whether before or after our power to sell the Property has become exercisable in connection with the Mortgage;
 - (b) arise as a consequence of anything done or purported to be done under the Conditions;
 - (c) result from you failing to do anything under the Conditions; or
 - (d) result from any payment or discharge in respect of the Secured Amounts (whether made by you or a third person) being challenged or declared void for any reason whatsoever.
- 16.2 The amounts payable under Condition 16.1 shall carry interest at the Interest Rate from the respective dates on which they were paid or incurred by us until payment in full by you.

17. FURTHER ASSURANCES AND POWER OF ATTORNEY

- 17.1 You agree with us, notwithstanding that our power to sell the Property may not have become exercisable, **to promptly execute any document** or do any act or thing which we may reasonably specify for:
- (a) perfecting or improving any security created, or intended to be created, by the Mortgage;
 - (b) facilitating the exercise or the proposed exercise of any of our powers, or the protection, management or realisation of the Property; or
 - (c) for the purpose mentioned in Condition 17.2.
- 17.2 For the purpose of securing our interest in the Property, you irrevocably and by way of security **appoint us to be your attorney:**
- (a) with full power to appoint substitutes and to sub-delegate on your behalf and in your name; and
 - (b) to execute any document or do any act or thing which you are obliged to execute or do:
 - (i) under the Mortgage;
 - (ii) under any Security Interest supplemental or ancillary to the Mortgage; or
 - (iii) which we (or our substitute or delegate) may reasonably consider appropriate in connection with the exercise of any of our powers.
- 17.3 Any person appointed as our substitute or delegate shall, in exercising that power of attorney, be your agent and you shall be the only person responsible for the acts and defaults of that substituted person or delegate. We shall not be responsible for any misconduct, negligence or default of that substituted person or delegate.

18. MISCELLANEOUS

- 18.1 The security constituted by the Mortgage:
- (a) shall be a continuing security to us notwithstanding any intermediate settlement of account or other matter; and
 - (b) is in addition to and shall not affect any other Security Interest, document or right which we may now or may at any time hold or have (apart from the Mortgage) as regards you or any other person in respect of the Secured Amounts.
- 18.2 We need not try to enforce any other security, guarantee or right before seeking or obtaining payment under the Mortgage.

- 18.3 The rights, remedies and powers conferred on us under the Mortgage are cumulative and without prejudice to our powers under the general law. They may be exercised as often as we think appropriate. A waiver is valid only if it is given by us in writing.
- 18.4 Even if we delay in exercising, or do not exercise, any of our rights or remedies under the Conditions, we may still exercise any of our rights or remedies later.
- 18.5 If the Conditions are inconsistent with the Mortgage Offer in respect of any matter, then those provisions of the Mortgage Offer will apply.

19. GENERAL VARIATION OF CONDITIONS

- 19.1 Subject to Conditions 2 (The Interest Rate), 3.8 (Monthly Payments) and 7.4 (Fees And Expenses) we may change the terms and conditions which apply to your Mortgage for one of the following reasons in order to reasonably reflect the fact that any of the following have occurred or are about to occur, provided that we do not do so for any arbitrary or improper purpose.
- (a) To make them easier to understand and fairer to you;
 - (b) To take account, in a proportionate manner, of any changes in relevant laws, codes of practice or regulations or to take account of any decision, requirement or recommendation, by a court, ombudsman, regulator or similar person;
 - (c) To enable us to make reasonable changes to the way we look after your accounts as a result of changes in (i) the banking or financial system; (ii) technology; (iii) the systems we use to run our mortgage lending business; or
 - (d) For another reason as agreed with you.

We will give you 30 days notice of any such change and the amendment shall take effect from the date specified in such notice.

20. NOTICES AND COMMUNICATIONS

- 20.1 Any notice or communication to you shall be treated as having been properly served upon you if **delivered by hand or if sent by post to the Property** (or other address notified to us by you). Where there is more than one of you, it shall be sufficient if the notice is served on, or addressed to, any one of you.
- 20.2 A notice or demand under Condition 20.1 will be treated as having been effectively served on you:
- (a) if delivered by hand, at the time of delivery or at the time of being left at the address referred to in Condition 20.1; or
 - (b) if sent by first-class pre-paid letter to an address in the United Kingdom, at the earlier of the time of delivery and 10.00am on the day after posting; or
 - (c) in any other case, 72 hours from the time of despatch.
- 20.3 If you (or one of you) dies and until we receive notice in writing of the grant of confirmation to your estate or probate of your will or letters of administration, any notice or demand by us given or made by any of the methods mentioned in this Condition shall be treated as having been properly given or made by us to or on you and to or on your executors or personal representatives as if you were still living.

21. MANAGEMENT COMPANY

- 21.1 If the Property is held by you under a long lease which requires the lessee to be a member of a management company, you shall deposit with us your share certificate or other certificate of membership of the management company. You irrevocably and by way of security appoint us as your attorney and in your name to execute a transfer of such share or membership to any person to whom we may convey, transfer or assign the Property under our powers under the Conditions.

22. REPAYMENT BY US

If:

- (a) we receive payment of any of the Secured Amounts from you or any other person; and
- (b) we are later ordered under any insolvency law to restore the position to what it would have been if we had not received that payment, you will be liable as if we had never received that payment.

23. PARTIAL INVALIDITY

Each of the Conditions may be separated from each other Condition. If at any time any Condition becomes illegal, invalid or unenforceable, this will not affect any of the other Conditions.

24. STANDARD CONDITIONS

Standard Conditions 1 to 6 (inclusive) and 12 shall not apply to the Mortgage.

25. LAW

The applicable law of this Deed is Scots law.

26. INDEPENDENT LEGAL ADVICE

If you have any queries about any of these Conditions you should seek independent legal advice.

27. FLEXIBLE MORTGAGES

If your Mortgage Offer specifies that underpayments, payment holidays and overpayments are available and that detailed rules on the use of those features are set out in the Mortgage Conditions then the Platform Flexible Mortgage Conditions contained in Appendix A to this deed shall apply to the Mortgage.

IN WITNESS WHEREOF these presents consisting of this and the preceding twelve pages are subscribed for and on behalf of us the said The Co-operative Bank p.l.c. by David Hennessey, Assistant Company Secretary, and duly authorised by us to act in that behalf, at Miller Street Tower, Miller Street, Manchester on 19 January Two Thousand and Sixteen before this witness Lisa Hartshorn of Miller Street Tower, Miller Street, Manchester.

APPENDIX A

Platform Flexible Mortgage Conditions

1 Flexible Options

- 1.1 If your Mortgage Offer specifies that all the following are available :
- (a) underpayments;
 - (b) payment holidays; and
 - (c) overpayments

(all of which we refer to as flexible options) then these Platform Flexible Mortgage Conditions shall apply to your Mortgage and those flexible options. **The flexible options are not available unless your Mortgage Offer specifies that they are and if they are not available the remainder of these Platform Flexible Mortgage Conditions will not apply.**

- 1.2 These flexible options shall not apply to any further advance.
- 1.3 Before you can exercise a flexible option (other than an overpayment) you must have made six consecutive months full Monthly Payments since the mortgage commenced.
- 1.4 To exercise a flexible option (other than an overpayment) you must submit a completed Flexible Options Request Form at least 14 days before you require the underpayments/payment holiday to commence. Subject to Conditions 1.3 and 5 we will comply with your request.
- 1.5 Where there are joint Borrowers you must all request the exercise of the flexible option and all and each of you will be liable in full for all indebtedness arising as the result of the take up of any of the flexible options.

2 Overpayment Fund

- 2.1 Under this Flexible Mortgage you have an Overpayment Fund. This is the maximum amount we are prepared to allow you to underpay (whether that underpayment is as a result of a payment holiday or underpayment).
- 2.2 The Overpayment Fund at any time is equal to the total of your overpayments (being the total amount you have paid over and above your contractual Monthly Payment including any early repayment charge you have paid less the total amount you have underpaid and any early repayment charge debited to your account).
- 2.3 We may reduce or withdraw your Overpayment Fund at any time for the reasons set out in Condition 5.
- 2.4 If you move house and arrange a new Platform mortgage for the new property on these product terms you will not be able to take any existing Overpayment Fund with you to the new mortgage and at the start of the new mortgage the Overpayment Fund will be £0.

3 Payment Holidays and Underpayments

- 3.1 Subject to Condition 1.3 you may apply to defer one or more Monthly Payments, or to make one or more underpayments of £50 or more at any time. We will write to confirm whether your application has been successful and if it is when the payment holidays/underpayments may commence from. If your application is unsuccessful we will write to tell you this and explain why.
- 3.2 A maximum of six Monthly Payments/underpayments may be missed/made in any period of twelve consecutive months.
- 3.3 When your request for a payment holiday or underpayments is accepted your direct debit Monthly Payment will be suspended or amended for the period of the payment holiday/underpayment and reactivated when the payment holiday or underpayment period ends.
- 3.4 Although the obligation to make Monthly Payments is suspended or reduced during the period of the payment holiday/underpayments, interest continues to accrue on the Secured Amounts. This accrued interest will be added monthly to the Secured Amounts and the Monthly Payments when they recommence are likely to be greater than before the payment holiday/underpayments were taken. We will advise you before the end of the payment holiday/underpayment of the expected Monthly Payment, which will apply at the end of the payment holiday or underpayment period.

4 Overpayments and Early Repayment Charges on them

- 4.1 Overpayments of any amount may be made. There is no minimum amount.
- 4.2 Overpayments may be paid by cheque, debit card or bank giro credit at any time, or, in the case of regular overpayments you can arrange to pay by Direct Debit which will be collected as part of your normal Monthly Payment or by Standing Order. If you are making regular overpayments by Direct Debit you can choose to pay a fixed sum each month irrespective of your normal Monthly Payment, or a fixed amount in addition to your normal Monthly Payment.
- Where the effect of overpayments would otherwise be to repay the Secured Amounts within the term of your Mortgage you may at any time ask us to recalculate and reduce the Monthly Payment so that the Secured Amounts are repaid at the end of the term of the Mortgage. We will also recalculate your Monthly Payment to take account of any overpayment at the end of the Account Year (one year from and including the Issue Date and each successive period of one year), whenever we change a Monthly Payment following a change to the Interest Rate or if the amount of an overpayment is for £1,000 or more.

- 4.3 Overpayments to your mortgage account can be made using any of the following:
- (a) Send a cheque made payable to us re (insert your name). Please ensure that you quote your mortgage reference number on the reverse of the cheque.
 - (b) Arrange with us for your Direct Debit to be increased for an agreed period.
 - (c) Arrange with your Bank or Building Society to make a regular payment by Standing Order.
 - (d) Arrange for extra funds to be transferred to your mortgage account by BACS/CHAPS.
 - (e) Arrange with us for a payment to be made to your mortgage account by debit card.
- 4.4 You will have to pay an early repayment charge at the end of an Account Year if the period of time for which an early repayment charge is payable (the "early repayment charge period") expires on or after the end of that Account Year and you have made overpayments, during the Account Year, in excess of £12,000 or 10% of the Loan Amount at the start of the Account Year (whichever is the higher). The early repayment charge will be calculated on the amount of overpayments in excess of that amount at the rate we have agreed.
- 4.5 You will have to pay an early repayment charge at the end of the early repayment charge period if, since the start of the Account Year in which the overpayments are made, you have made overpayments in excess of £12,000 or 10% of the Loan Amount at the start of that Account Year (whichever is the higher). The early repayment charge will be calculated on the amount of overpayments in excess of that amount at the rate we have agreed. If the early repayment charge period expires at the end of an Account Year, any early repayment charge will be payable under Condition 4.4 only, not this Condition 4.5
- 4.6 You will have to pay an early repayment charge when you repay the Loan Amount in full if you repay it during the early repayment charge period. You will have to pay the early repayment charge at the rate we have agreed on the full amount of the Loan Amount you repay on that day and on any amount overpaid before that day, since the start of the Account Year during which that repayment is made, in excess of £12,000 or 10% of the Loan Amount at the start of that Account Year (whichever is the higher). If you repay the Loan Amount in full during the early repayment charge period, any early repayment charge payable since the start of the Account Year in which that repayment is made will be payable under this Condition 4.6 only, not Conditions 4.4 or 4.5.
- 4.7 For the purposes of Conditions 4.4, 4.5 and 4.6, overpayments are calculated in accordance with Condition 2.2

5 Withdrawal of Flexible Options and Overpayment Fund

- 5.1 We may refuse your application to exercise a flexible option if:
- (a) the Overpayment Fund is less than the amount you wish to underpay;
 - (b) we reasonably consider that you may not make or may not be able to make the Monthly Payments at the end of the payment holiday or the period of underpayments.
- 5.2 We may at any time refuse your application to exercise a flexible option, withdraw your right to exercise any or all of the flexible options (other than overpayments) and/or reduce or withdraw your Overpayment Fund if :-
- (a) there are arrears on any of your mortgage accounts with us or there have been arrears on any of these accounts during the previous six months;
 - (b) you are receiving any payments intended to cover your Mortgage Payments (or part of them) whether under an insurance policy in respect of accident, sickness or unemployment, or from the Department of Work and Pensions or otherwise;
 - (c) a bankruptcy or sequestration order is made against you or you become apparently insolvent or make or propose any composition or arrangement with or for the benefit of your creditors generally;
 - (d) you are in breach of a material Mortgage Condition, Flexible Mortgage Condition or Special Condition which applies to the Secured Amounts;
 - (e) we consider it necessary in order to meet the requirements of, or recommendations made by, the Financial Conduct Authority or any other body responsible for regulating our business.

If we exercise our rights under this Condition 5.2 we will write to you within 7 days informing you that we have done so and of your new Overpayment Fund (if any).

The Co-operative Bank p.l.c. is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (No. 121885). The Co-operative Bank, Platform, smile and Britannia are trading names of The Co-operative Bank p.l.c., P.O. Box 101, 1 Balloon Street, Manchester M60 4EP. Registered in England and Wales No. 990937. Credit facilities are provided by The Co-operative Bank p.l.c. and are subject to status and our lending policy. The Bank reserves the right to decline any application for an account or credit facility. The Co-operative Bank p.l.c. is a member of the Council of Mortgage Lenders and subscribes to the Lending Code which is monitored by the Lending Standards Board. Calls to 0800 and 0808 numbers are free from landlines and mobiles. Calls to 03 numbers cost the same as calls to numbers starting with 01 and 02. Calls to 0845 and 0870 numbers cost 3p per minute, plus your phone company's access charge. Calls to 0844 and 0843 numbers cost 7p per minute, plus your phone company's access charge. Calls may be monitored or recorded for security and training purposes.