

Special Conditions for the Offset Mortgage Account

{Premier Current Account}

These Special Conditions apply to any Offset Mortgage Account opened with the Society.

In these Special Conditions, the following terms have the following meanings:

Offset Accounts means your Offset Mortgage Account as well as the Savings Account which you have told us you would like to be set off against your Offset Mortgage Account before calculating the interest which you have to pay;

Offset Mortgage Account means your Mortgage account made on the terms of these Special Conditions;

Savings means the savings (if any) in any Savings Account which are to be set off against the debit balance on your Offset Mortgage Account under these Special Conditions;

Savings Account means the Leeds Offset Savings Account which contains or may contain the Savings. There may be more than one account. These Special Conditions as well as the Society's Premier Current Account Terms and Conditions (**Premier Conditions**) will apply to the Savings Account. In the case of a conflict, these Special Conditions will prevail.

Otherwise than as set out above the other defined terms contained in the Mortgage Terms and Conditions apply to these special conditions.

1 Offset Accounts

- 1.1 Your Offset Accounts must always include at least one Savings Account.
- 1.2 You will be subject to the terms and conditions for the Savings Account (i.e. the Premier Conditions as amended by these special conditions).
- 1.3 The Savings Account must be held in the same name(s) as the borrowers on the Offset Mortgage Account.

2 Interest

This Special Condition 2 amends condition 5 of the Premier Conditions.

- 2.1 We will not pay interest on any Savings Account.
- 2.2 We will work out the difference at the end of each day between the debit balance on your Offset Mortgage Account and the Savings. If the debit balance on your Offset Mortgage Account is equal to or less than the Savings we will not charge you interest on your Offset Mortgage Account. If the debit balance on your Offset Mortgage Account exceeds the Savings we will charge you interest only on the difference. However, we may charge you interest on the whole debit balance on your Offset Mortgage Account if we find that the Offset Accounts of all our members are not paying enough interest to us to enable us to cover the costs of administering all the Offset Accounts; if we charge interest in these circumstances we will tell you personally at least 30 days in advance and will allow you to close your Savings Account immediately without you having to give any notice or pay any extra charges or extra interest.

- 2.3 Your Offset savings Account must remain in credit at all times. However, should your Offset Savings Account go overdrawn we will charge you interest on such overdrawn amount at the rate of interest payable on your Offset Mortgage Account at that time.

3 Closing the Account

- 3.1 We may repay your Savings at any time in accordance with condition 15 of the Premier Conditions. In addition we may at any time close the Savings Account and transfer the balance to another or equivalent savings account to the Premier Current Account with the Society in the same name(s) if:
- (a) you instruct us to do so;
 - (b) the Whole Debt and all other monies secured by the Mortgage have been repaid in full and either:
 - (i) the legal charge on the Property has been discharged, or
 - (ii) we have informed you of our intention to transfer your Savings and after 28 days you have not given us any other instructions;
 - (c) any of the holders of the Savings Account:
 - (i) is not a legal owner of the Properties,
 - (ii) differs from the borrowers under the Mortgage, or
 - (iii) has not signed the mortgage deed as a borrower; or
 - (d) there is a change in the law, HM Revenue and Customs practice or interpretation, the requirements of the Financial Services Authority or any other regulator, or there is a decision of any ombudsman or similar person, as a result of which the Society is required to deduct or account for income tax in respect of any Savings in the Savings Account or are no longer able to offer Offset Mortgage Accounts.
- 3.2 We can repay to you all or part of any Savings at any time without giving any reason after telling you personally at least a month in advance. We can close any Savings Account immediately if we believe that you have been involved in fraudulent or serious criminal behaviour or that the relationship between you and us has irretrievably broken down.
- 3.3 If at any time you do not hold a Savings Account we may transfer your Offset Mortgage Account to another of our mortgage products which we reasonably consider is similar to the terms of the Offset Mortgage Account excluding condition 2 of these special conditions and you will be free to pay off the Whole Debt immediately subject to paying any Early Repayment Charges applicable to your Offset Mortgage Account.

4 Our rights to retain monies

We may take and use money which we have received from you or which we hold for you or is due to you on any account with us, to pay any sums which are due for payment by you (whether under your Offset Mortgage Account, a loan, guarantee or otherwise) but which have not been paid. We will give you personal notice when we have done this.

5 Multi Part Mortgages

If you have an Offset Mortgage with more than one part, the Offset Savings Account(s) balance(s) will be applied in the following order of priority

- (a) firstly, to the variable loan part (i.e. typically the tracker part charged at a margin above the Bank of England base rate). If there is no variable part, or all parts are on a variable rate, or all parts are fully offset by the balance in your Offset Savings Account(s) then,
- (b) secondly, to the loan part that has most recently completed. If all loan parts completed on the same day then,
- (c) thirdly, to the repayment part, if all parts are repayment then,
- (d) lastly, to the most recently opened part.

We are unable to change the allocation of saving(s) balance(s) from the method above.

Product Conditions

The Society's Premier Current Account Terms & Conditions will apply unless (and to the extent) they are inconsistent with these Product Conditions.

- 1 No interest is paid on the Offset Savings Account.
- 2 Interest on your Offset Mortgage Account will be calculated in accordance with condition 2 of the Special Conditions for the Offset Mortgage Account.
- 3 The Offset Savings Account is only available to customers with an Offset Mortgage Account. The Offset Savings Account must be held in the same name(s) as the borrowers on the Offset Mortgage Account.
- 4 The minimum investment and operating balance is £1. The maximum investment and operating balance is £750,000.
- 5 We may repay the money in your Account at any time in accordance with condition 15 of the Premier Conditions. In addition we may at any time close your Account and transfer the balance to another equivalent savings account to the Offset Savings Account (excluding condition 1 of these Product Conditions) with the Society in the same name(s) if:
 - (a) you instruct us to do so;
 - (b) the debt you owe us under your Offset Mortgage Account and all other monies secured by the Offset Mortgage have been repaid in full and either:
 - (i) the legal charge on the property charged to the Society as security for the Offset Mortgage Account has been discharged, or

- (ii) we have informed you of our intention to transfer your savings and after 28 days you have not given us any other instructions;
 - (c) any of the holders of the Account:
 - (i) is not a legal owner of the property charged to the Society as security for the Offset Mortgage Account,
 - (ii) differs from the borrowers under the Offset Mortgage, or
 - (iii) has not signed the mortgage deed as a borrower; or
 - (d) there is a change in the law, HM Revenue and Customs practice or interpretation, the requirements of the Financial Services Authority or any other regulator, or there is a decision of any ombudsman or similar person, as a result of which the Society is required to deduct or account for income tax in respect of any money in the Account or are no longer able to offer Offset Mortgage Accounts.
- 6 We can repay to you all or part of any of the money in your Account at any time without giving any reason after telling you personally at least a month in advance. We can close your Account immediately if we believe that you have been involved in fraudulent or serious criminal behaviour or that the relationship between you and us has irretrievably broken down.
- 7 Your Offset Savings Account must remain in credit at all times. However, should your Offset Savings Account go overdrawn we will charge you interest on such overdrawn amount at the rate of interest payable on your Offset Mortgage Account at that time.
- 8 We may take and use any money which we have received from you or which we hold for you or is due to you on any account with us, to pay sums which are due for payment by you (whether under your Offset Mortgage Account, a loan, guarantee or otherwise) but which have not been paid. We will give you personal notice when we have done this.