

Mortgages

Leeds Building Society Mortgage Conditions 2020 (England & Wales)

**Relating to mortgages of freehold & leasehold
property in England & Wales**



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These Conditions form part of your agreement with us for your loan and mortgage. This agreement also includes your application form, your mortgage offer, the mortgage deed and our Tariff of Mortgage Charges and, as long as you are a qualifying borrowing member of the Society, our Rules. We may also provide you with other documents which also make up the agreement with us for your mortgage. We refer to this in these terms as the Agreement.

Explanation of terms in these Conditions

We have set out a summary of some of the key Conditions in the table below. However, it is not legally binding, and it is important that you read each Condition and make sure you understand them. Please keep them in a safe place in case you want to refer to them in the future. They set out the full legal position. If you do not understand any of the terms or have any questions before your mortgage starts please speak to your legal adviser. After your mortgage has started, please speak to us if you have any queries relating to the Agreement.

Condition	Summary
What you have to pay	<p>It is important that you pay to us the Monthly Payments set out in your Offer (or as amended under these Conditions) on time.</p> <p>If your Mortgage is a repayment mortgage, your Monthly Payment will consist of repayments of the Advance and interest.</p> <p>If your Mortgage is an interest only mortgage, your Monthly Payments will consist only of interest and you will have to repay the Whole Debt at the end of the Repayment Period. It is important that you make arrangements to be able to repay the Whole Debt at the end of the Repayment Period and regularly check that you will be in a position to do so.</p> <p>Your Mortgage may consist of different parts. One part may be on a repayment basis and another part on an interest only basis.</p>
Interest	<p>We will charge interest on the Advance at the rate specified in your Offer. The Interest Rate may be a fixed or variable rate. Different rates may apply to different parts of the Advance or to different Advances.</p> <p>The way in which interest is calculated and applied is detailed in Condition 4.</p> <p>There are certain circumstances in which we can or may need to change the Interest Rate, set out in Condition 5.</p>
Early repayment	<p>You can repay your Mortgage in full or in part at any time. However, you may have to pay an early repayment charge and other fees if you repay in full or in part before the end of the Repayment Period. The details of these charges will be set out in your Offer.</p>
Immediate repayment	<p>In certain circumstances we can require that you repay the Whole Debt immediately, for example if you fail to keep up to date with your Monthly Payments or you fail to comply with your obligations under the Agreement. The full set of circumstances in which we can do this is set out in Condition 11.3.</p>

<p>Financial difficulty and missing payments</p>	<p>You must let us know as soon as possible if your financial circumstances change, or if you have difficulty meeting your Monthly Payments.</p> <p>If you fail to make Monthly Payments or do not keep to any of your responsibilities under the Agreement, we may need to obtain a court order so we can repossess and sell the Property.</p>
<p>Fees, charges and costs</p>	<p>A number of fees and charges apply in connection with your Mortgage. In addition, you are responsible for our costs in relation to your Mortgage. How we apply our fees, charges and costs are set out in Condition 6, your Offer and our Tariff of Mortgage Charges. Our Tariff of Mortgage Charges is available on our website.</p> <p>We can change or introduce new fees in accordance with Condition 7.</p>
<p>Property obligations</p>	<p>It is important you comply with your obligations in relation to the Property as set out in Condition 9 and insure the Property in accordance with Condition 8.</p> <p>If you fail to do so, we (or any receiver we appoint) can take certain action in relation to the Property under Conditions 11, 12 and 13, including repossessing and selling the Property.</p>

1 Definitions and interpretation

- 1.1 Certain words used in these Conditions have a specific meaning. They appear with a capital letter and their meaning is set out below:

Advance means each sum we lend to you on the security of the Property. If we make further advances on that security, each further advance is a separate Advance;

Arrears means any part of a Monthly Payment which you ought to have paid us but have not, except in Condition 4.4;

Borrower and you means the borrower named in the Offer. If there is more than one of you, 'you' and 'your' means all or any of you. You are each responsible for all the obligations under the Mortgage as individuals and you are also responsible as a pair or group. This includes any of your successors and anyone who undertakes the obligations of the Borrower;

Interest Rate means the rate of interest applicable to the Advance or (where there is more than one such rate) part of the Advance set out in your Offer. If the Interest Rate is a variable rate it can be changed in accordance with these Conditions;

Leasehold Reform Acts means the Leasehold Reform Act 1967, the Leasehold Reform, Housing and Urban Development Act 1993 and the Commonhold and Leasehold Reform Act 2002. (These Acts give the owners of long leases various legal rights, including the right to purchase the freehold in certain circumstances);

Monthly Payment(s) means the monthly payment(s) set out in your Offer which may be changed from time to time under these Conditions;

Mortgage means any mortgage in which the Conditions are expressed to be incorporated and, except in Condition 2.2, includes the Conditions;

Offer means our written offer setting out the terms on which we will make an Advance to you. We may give you other Offers in the future if we are willing to lend you more money or to make changes to your Mortgage. Each Offer explains the terms which apply to the particular Advance being offered;

Payment Date means the date each month you have selected as the date on which you will pay us the Monthly Payments. You can vary this date from time to time (so long as the new date is not later than the 28th of each month) by giving us at least 14 days' prior notice in writing;

Property means the property described in the Mortgage and includes each and every part of the property and all fixtures and fittings;

Property Act means the Law of Property Act 1925, which is important legislation applying to mortgages;

Related Rights has the meaning set out in Condition 14;

Repayment Period in relation to each Advance means the repayment period set out in the Offer;

Rules means the Rules of the Society for the time being in force;

Society, "we", "our" and "us" means Leeds Building Society or anyone who takes over, or merges with, the Society. If we have transferred any of our rights under the Mortgage to someone else, "we" may also refer to the person we have transferred them to;

Tariff of Mortgage Charges means our tariff of mortgage charges from time to time which is available on our website www.leedsbuildingsociety.co.uk or you can visit your local branch or call our Contact Centre on 03450 50 50 75 for a printed copy;

Whole Debt means the whole amount you owe us from time to time under the Agreement. It is made up of all the money we lend to you, plus interest, fees, charges, costs and any other amount you owe at any time; and

Year means a calendar year.

- 1.2 When we say "person" we also mean a company.
- 1.3 When we say "month" and "monthly" we mean a calendar month.
- 1.4 A reference to any statute, statutory provision or regulation includes any amendments which are made to it and any provision which replaces it, whether before or after the date of the Mortgage.

2 Membership of the Society and the Rules

- 2.1 If you are not already a member and if you are an Individual as defined by the Rules, you are admitted to membership of the Society. You can find a copy of the Rules on our website at www.leedsbuildingsociety.co.uk or you can visit your local branch or call our Contact Centre on 03450 50 50 75 for a printed copy.
- 2.2 Members of the Society must follow the Rules. You agree to follow the Rules while you are a member of the Society. If there is a conflict between what the Rules, the Offer, the Mortgage and the Conditions say, the documents prevail in the following order:
 - (a) the Offer;
 - (b) the Mortgage;
 - (c) the Conditions; and
 - (d) the Rules.

- 2.3 If you are a member of the Society only because of your Mortgage with us, a transfer of the Mortgage by the Society may, if we so decide, mean you are no longer a member of the Society.

3 What you have to pay

- 3.1 The Mortgage and the Agreement will only end when you pay back the Whole Debt.

3.2 Repayment Types

Your repayment type will be set out in your Offer. The effects of the different types are as follows:

- (a) If the Offer says the repayment type is "repayment" we will work out your Monthly Payments so that the amount you owe us (not including Arrears) is repaid with interest in instalments over the Repayment Period. The Monthly Payment will not repay any Arrears, but it will be recalculated to include interest on any Arrears, any fees, charges and costs applied to your account during the Repayment Period (which are not paid when they fall due) and interest which has become payable on any fees, charges or costs applied to your account during the Repayment Period.
- (b) If the Offer says the repayment type is "interest only" (including "Retirement Interest Only") we will work out your Monthly Payments to pay the interest we charge. The Monthly Payment will not repay any Arrears, but it will be recalculated to include interest on any Arrears, any fees, charges and costs applied to your account during the Repayment Period (which are not paid when they fall due) and interest which has become payable on any fees, charges or costs applied to your account during the Repayment Period. You will have to pay the rest of the Whole Debt at or by the end of the Repayment Period.
- (c) If the Offer says your Mortgage is part interest only and part repayment we will work out your Monthly Payment on each part separately in the way described above. We will then add these amounts together to make your total Monthly Payment.

3.3 You agree that you will pay to us:

- (a) on each Payment Date, the Monthly Payments;
- (b) the Whole Debt if any of it remains unpaid at the end of the Repayment Period;
- (c) all fees, charges and costs when required under the Agreement; and
- (d) interest on fees, charges and costs at the Interest Rate from the date we require payment of the fee, charge or cost until they are paid. Interest will be payable when we ask for it and will be applied:
 - (i) daily, if the Agreement provides for daily interest; or
 - (ii) annually, if the Agreement provides for annual interest.

If interest on fees, charges or costs is not paid when incurred we will charge interest on the unpaid amount calculated in the same manner as interest on the Advance (where you have more than one Advance interest on the unpaid amount will be calculated in the same manner as interest on the earliest Advance).

3.4 We may change the Monthly Payments to reflect changes to:

(a) the Interest Rate;

(b) the amount you owe, including additional amounts such as further advances, fees, charges, costs, interest and Arrears;

(c) the Repayment Period;

(d) the repayment type,

or otherwise to ensure that the Whole Debt is repaid on or immediately before the expiry of the Repayment Period.

3.5 We will give you reasonable notice under Condition 19 before any change in your Monthly Payments.

3.6 Payments should be made by direct debit or by such other method as we may reasonably specify.

3.7 If we enforce the security given by you and sell the Property and the net proceeds are not enough to pay off the Whole Debt, you will still owe us the shortfall, which will be due from you immediately. We may continue to charge interest on this amount until it is repaid.

4 Interest

4.1 You will pay interest which is calculated daily in accordance with Condition 4.2 or annually in accordance with Condition 4.3. Your Offer will tell you whether daily or annual interest applies.

4.2 Where the Agreement provides for daily interest:

(a) We will charge interest at the Interest Rate set out in the Offer until you have repaid the Whole Debt. We will continue to charge interest after the end of the Repayment Period until the Whole Debt is repaid.

(b) We will work out the interest we charge each day on the balance of the Whole Debt shown on your account at the end of that day and we will add this interest on your account daily at the end of each day, increasing the balance of the Whole Debt by the amount of the interest.

(c) Any payment you make to your account will, when cleared, reduce the balance on which interest is charged from the day when the payment was first credited.

- 4.3 Where the Agreement provides for annual interest:
- (a) We will charge interest in each Year on the amount of the Whole Debt outstanding on the last day of the preceding Year. We will provisionally add the interest charged on your account on the first day of each Year.
 - (b) We will charge interest in each Year on any further sum which is advanced to you or becomes owing by you during the Year from the date that the sum is advanced or becomes owing. We will provisionally add the interest charged on your account on the day on which the relevant sum is advanced or becomes owing.
- 4.4 Interest will accrue from day to day and will be payable monthly by the Monthly Payments partly in advance and partly in arrears (depending on the Payment Date). Each month will be treated for this purpose as 1/12th of a Year.
- 4.5 For the purpose of calculating interest each day shall be treated as 1/365th of a Year (or 1/366th in any leap year).
- 4.6 When we send money to your legal adviser we will start charging interest on it from the day the money is sent, which is usually before the day of completion.
- 4.7 If any interest due for payment by you is unpaid:
- (a) where the Agreement provides for daily interest, we will start to charge interest on it from the day the interest payment was due; or
 - (b) where the Agreement provides for annual interest, we will start to charge interest on it from the first day of the following Year.
- 4.8 If you do not pay any fees, charges or costs when we ask you to, we can start charging interest on them from the day the fee, charge or cost is added to your account. When a fee, charge or cost is added to your account when we make an Advance to you, we can start charging interest on it at the same time as we start charging interest on the Advance.
- 4.9 We will continue to charge you interest at the Interest Rate even if a court makes an order for you to pay the Whole Debt.
- 4.10 Without changing the principle that interest is charged on a daily basis when that basis applies, we can change our procedures for charging interest for one or more of the following reasons:
- (a) to make the way in which we charge interest fairer to borrowers who make their Monthly Payments promptly;
 - (b) to reflect the periods for which we are charged interest on the money we have lent to you under the Mortgage;
 - (c) to take account of any decision by a court or ombudsman;
 - (d) to reflect legal or regulatory requirements; or

(e) following a transfer of the Mortgage by us or the transfer of other mortgages to us, to enable us or our successors to treat borrowers fairly by treating borrowers with mortgages in a similar category in a similar way.

- 4.11 Where the Agreement provides for annual interest we can change the period for the charging of interest for one or more of the reasons set out in Condition 4.10 (a) to (e) above, but so that the period is not more than 1 Year or less than 1 day.
- 4.12 We will make sure any change under Conditions 4.10 or 4.11 is proportionate to the reason for making it and we will give you no less than 3 months' notice under Condition 19 of the change.

5 When we can change the interest rate

- 5.1 If your Offer states that the Interest Rate is fixed in respect of any Advance we will not vary the Interest Rate for the relevant fixed rate period without agreeing this with you first.
- 5.2 If your Offer states that the Interest Rate is linked to or tracks an independently set rate (which is a rate which is not set by us, for example, Bank of England base rate), the Interest Rate will vary in line with changes in that rate as set out in the Offer. However, your Interest Rate will not go below 0%, even if the independently set rate does. If the relevant independently set rate ceases to exist or be available we may choose another independently set rate in its place. If we do this we will act reasonably in choosing the replacement rate and give you reasonable notice under Condition 19 of the replacement rate.
- 5.3 We can reduce your Interest Rate at any time without notice to you.
- 5.4 Except where Conditions 5.1 and 5.2 apply we can increase the Interest Rate at any time to respond proportionately to any one or more of the following:
- (a) a change in Bank of England base rate (or any rate which replaces the Bank of England base rate);
 - (b) a change in the costs to us of raising money we lend to our mortgage borrowers. These costs can change for a number of reasons including, for example:
 - (i) changes in other market rates where this impacts our funding costs;
 - (ii) increases in the rates of interest we need to pay in order to attract and retain savers; or
 - (iii) increases in our costs of raising funds from other sources;
 - (c) a change in legal or regulatory requirements, codes of practice or the way we are regulated, or a decision of a court or an ombudsman; and/or
 - (d) a change in the costs to us of providing the Advance or the services and facilities available in connection with it (including changes in the technology we use).

We will give you notice under Condition 19 before we make such a change. The period of notice will be a period which we consider is reasonable in the circumstances (but in any event, not less than 14 days).

5.5 In exceptional economic or financial circumstances which we reasonably believe have had or are likely to have a significant effect on the United Kingdom financial system or a significant effect on building societies operating in the United Kingdom, we may also increase the Interest Rate for the purpose of enabling us to run our business prudently and in accordance with regulatory requirements, even if the requirements themselves have not changed. If we use this power to increase the Interest Rate we will always:

(a) respond proportionately to the circumstances in question;

(b) give you notice under Condition 19 before we make such a change. The period of notice will be a period which we consider is reasonable in the circumstances, (but in any event, not less than 14 days);

(c) tell you that the Interest Rate is being changed under this particular power and explain why the change is being made; and

(d) reduce the Interest Rate again when and as far as the relevant circumstances and the need to manage our business prudently permit.

5.6 The power to change the Interest Rate under Condition 5.5 is separate from, and is in addition to, the power to change the Interest Rate set out in Condition 5.4.

5.7 In addition to the circumstances when we can increase the Interest Rate set out above, we can also increase the Interest Rate, including Interest Rates that we are not normally free to vary, such as a fixed rate or a rate which tracks an independently set rate, if there has been a change in the way the Property is used or occupied which increases our risk in lending to you. This may happen, for example, where you let or change the use of the Property. We will give you notice under Condition 19 if we do this.

5.8 If you do not agree to the increase, you are able to repay the Whole Debt in full in accordance with Condition 15. If you repay the Whole Debt you may have to pay an early repayment charge and any other fee or charge which applies under the Offer.

6 Fees, charges and costs

6.1 A number of fees and charges apply in connection with your Mortgage. In addition, you are responsible for our costs in relation to your Mortgage. How we apply fees, charges and costs is set out in this Condition 6, your Offer and our Tariff of Mortgage Charges.

6.2 Your Offer will specify certain fees and charges which are payable by you. If these fees and charges are to be added to your loan this will be explained in your Offer.

- 6.3 You also agree to pay our standard charges for the provision of certain documents and services in connection with your Mortgage. Our most common fees and charges are set out in our Tariff of Mortgage Charges.
- 6.4 In addition to the fees and charges set out in our Tariff of Mortgage Charges, we can ask you to pay other fees and charges for documents or services, we will tell you the amount of the fee or charge before we apply it.
- 6.5 You may also have to pay fees and charges if you are unable to pay your Mortgage. The most common fees and charges you have to pay if you fail to keep up with your Monthly Payments and when you have to pay them are set out in our Tariff of Mortgage Charges.
- 6.6 We can remove or reduce the fees and charges in our Tariff of Mortgage Charges at any time.
- 6.7 We can also increase the fees and charges in our Tariff of Mortgage Charges and introduce new fees and charges at any time in accordance with Conditions 7.1 and 7.2.
- 6.8 In addition to our fees and charges you also agree to pay our costs. These may either be costs we incur within the Society or costs we have to pay to others. We will only pass on our costs if they are not covered by one of the charges in our Tariff of Mortgage Charges. We can pass on our costs in full provided that we have acted reasonably in incurring them and the amount is reasonable.
- 6.9 Examples of the costs we may pass onto you include:
- (a) our legal costs: Unless otherwise set out in the Offer, you will be responsible for paying the charges to cover the legal costs of any legal adviser who undertakes our legal work in relation to the Mortgage; and
 - (b) costs to safeguard our security: You must pay us our costs where we need to take action to protect or safeguard our security or because you fail to fulfil an obligation you have under the Agreement. Examples of items covered by these costs include:
 - (i) any costs of taking legal action in connection with your Mortgage, including costs of taking possession of your Property, looking after it and selling it (this includes any court proceedings whether or not you are a party to the proceedings);
 - (ii) exercising any of the rights or powers given to us by law or the Agreement;
 - (iii) recovering any of the Whole Debt;
 - (iv) insuring the Property or checking that any insurance of the Property which you have arranged is adequate for our purposes;
 - (v) paying any ground rent or service charges which you have failed to pay in accordance with the terms of any lease and any costs associated with the lease; and

(vi) if you don't take good care of the Property, the reasonable costs to us of looking after it.

6.10 We will tell you if you ask us to do something which incurs a fee or charge before the fee or charge is incurred. We will tell you when you have incurred a cost. If you do not pay a fee, charge or cost then we may add it to the Advance if it is reasonable to do so. If we do this:

- (a) we will charge interest at the Interest Rate on the fee, charge or cost until it is repaid or, where there is more than one such rate, at the Interest Rate which applies to the earliest Advance paid to you;
- (b) if the addition of the fee, charge or cost results in your Monthly Payment being changed we will give you notice of the new amount in accordance with Condition 3.5; and
- (c) we will ensure that any new Monthly Payment amount provides for each month's interest on the fee, charge or cost to be covered by the corresponding Monthly Payment for that month.

7 When can we change our fees and charges

7.1 We may change any of the standard fees and charges listed in our Tariff of Mortgage Charges at any time if it is reasonable to do so. If the change is not to your advantage (for example if we increase a fee or charge) we will only make the change to enable us to respond proportionately to:

- (a) a change in legal or regulatory requirements, codes of practice or the way we are regulated;
- (b) any decision of a court or an ombudsman; or
- (c) a change in the costs to us of providing your Advance and the services and facilities we provide in connection with it (including changes in the technology we use).

7.2 We may introduce new fees or charges which are not in the Tariff of Mortgage Charges at any time if it is reasonable to do so to enable us to respond proportionately to:

- (a) a change in legal or regulatory requirements, codes of practice or the way we are regulated;
- (b) any decision of a court or an ombudsman; or
- (c) a change in the costs to us of providing your Advance and the services and facilities we provide in connection with it (including changes in the technology we use).

- 7.3 We may also change any of the standard fees and charges listed in our Tariff of Mortgage Charges, or introduce new fees or charges to enable us to harmonise in a reasonable manner and having regard to the interests of all our borrowers the fees and charges concerned following any acquisition or transfer of mortgages or any takeover of, or merger with, another mortgage provider.
- 7.4 If we make a change to the fees and charges listed in our Tariff of Mortgage Charges:
- (a) we will write to give you notice under Condition 19 at least 7 days before the change takes effect if the change is to your disadvantage or where we introduce a new fee or charge; and
 - (b) the new fee or charge will be set out in the Tariff of Mortgage Charges, a copy of which will be provided to you at least once a year when changes are made.

8 Insurance

- 8.1 Subject to the provisions of this Condition 8 the Property must be insured at your expense, with our interest noted on the Policy if the insurers agree.
- 8.2 You must insure the Property to a minimum of its full replacement value from time to time (including architects' and other professional fees, demolition, site clearance, the cost of complying with the requirements of all competent authorities and an allowance for inflation).
- 8.3 We are not obliged to make sure that cover provided by any insurance policy arranged by you is adequate.
- 8.4 If your Property is leasehold and the landlord is responsible for insuring it, you must make sure that the landlord is doing so. If the landlord does not insure the Property, or is insuring it for less than its full rebuilding cost, you must let us know.
- 8.5 You must pay all premiums for effecting, maintaining or renewing insurance for the Property. If you fail to pay any such premiums, we may pay them for you and add these to the Advance and charge interest at the Interest Rate until payment, or where there is more than one such rate, at the Interest Rate which applies to the earliest Advance paid to you.
- 8.6 If we require a copy of the policy or policies of insurance in respect of the Property or a receipt of any insurance premium you have paid you must deliver these to us on request.
- 8.7 You must not permit or do anything which may make the insurance of the Property invalid.
- 8.8 We have full power on your behalf to deal with the insurers on all matters arising under the policy including power to settle any claim on reasonable terms and receive any insurance monies.

- 8.9 Instead of requiring any insurance monies to be applied in making good the insured loss or damage we may require any insurance monies to be applied in or towards repaying the Whole Debt. We will not exercise this power in an unreasonable manner or without first seeking to consult with you.

9 Your obligations

9.1 You undertake as follows:

- (a) to complete to our reasonable satisfaction any building which is at any time in the course of erection on the Property;
- (b) to put and keep the Property secure and in good and substantial repair and condition to our reasonable satisfaction;
- (c) to comply with all legal obligations (if any) affecting the Property or its use and enjoyment and the tenant's obligations in the lease (if any) under which it is held;
- (d) punctually to pay all rates, taxes, rents, service charges, costs, fees, outgoings and other charges payable in respect of the Property and produce receipts for every such payment if required, and reimburse us if we are required to pay any charges you ought to have paid;
- (e) not without our prior written consent (which will not be unreasonably withheld) to make or allow to be made any structural or material alteration or addition to the Property or make or allow any change in the use of the Property which would require planning permission or approval under any building regulations;
- (f) to comply in all respects with all statutes and subordinate legislation (including those relating to planning and environmental matters) which apply to the Property and be responsible in full for and immediately on demand reimburse us in respect of any reasonable loss, liability or cost incurred as a result of all or any breaches of such statutes or legislation;
- (g) to comply with all the requirements and regulations of the local and other authorities in respect of the Property;
- (h) to give us any information about the Property which we may reasonably ask for;
- (i) within 7 days of your receiving any notice, order or proposal given, made or issued by any competent authority concerning the Property (including in relation to environmental incidents or matters) to produce it to us, to make any reasonable representations about it which we ask you to make, and, unless we instruct you to the contrary, without delay to take all reasonable and necessary steps to comply with the same;
- (j) not without our prior written consent (which will not be unreasonably withheld) to apply for any improvement or similar grant in respect of the Property;

- (k) not without our prior written consent (which will not be unreasonably withheld) to create or agree to create a second or subsequent charge over the Property or any part of the Property (when such a charge is created, the Society will continue to retain a fully enforceable first or prior charge by way of legal mortgage over the Property);
- (l) where the Property is leasehold to inform us of any notice served under the Leasehold Reform Acts in relation to the Property and execute in our favour in such form as we may require a legal mortgage of the freehold, or any superior lease or any new lease which you obtain; and
- (m) to ensure the Property is used as a residential property only.

10 Restrictions on letting

- 10.1 This Condition 10 applies where your Offer states that the Property is to be used as your residential home (and will not be used for letting purposes).
- 10.2 You will not, without our prior written consent (which will not be unreasonably withheld), grant or agree to grant any lease or tenancy of the Property, or part with or share possession of the Property.
- 10.3 As a condition of giving our consent we may impose reasonable conditions and increase the Interest Rate by a percentage that we reasonably consider represents the increased risk to us while such letting or occupation continues. Such increase in the Interest Rate shall not exceed 1%.
- 10.4 If you let the Property without our permission, or if we reasonably believe you have, we may increase in the Interest Rate by a percentage that we reasonably consider represents the increased risk to us. Such increase in the Interest Rate shall not exceed 1%.

11 The Society's powers

- 11.1 For the purposes of the Property Act the Whole Debt will be treated as due 1 month after the date of the Mortgage. (This does not mean that we can immediately require you to pay the Whole Debt. We can only do that when Condition 11.3 applies).
- 11.2 The statutory power of sale applies to the Mortgage free from the restrictions in section 103 of the Property Act. (Section 103 of the Property Act provides that a mortgagee shall not exercise its power of sale unless and until certain conditions have been met, but does not require that the Whole Debt should have become immediately due and payable).
- 11.3 If any of the following events occur we can write to you to demand you pay us the Whole Debt immediately:
 - (a) if you are in Arrears by an amount equal to 2 or more Monthly Payments under the Agreement;

- (b) if you are in Arrears by an amount equal to 2 or more monthly payments on any other loan you have with us;
- (c) if you do not repay the Whole Debt by the end of the Repayment Period;
- (d) if you fail to comply with any of your obligations (other than for payment of the Monthly Payments) contained in the Agreement or the Mortgage and we reasonably regard the failure as serious;
- (e) if you die;
- (f) if being an individual you apply for an interim order or enter into any composition or arrangement with or for the benefit of your creditors generally or a bankruptcy order is made against you;
- (g) if being a body corporate you:
 - (i) cease to carry on the whole of your business or dispose of all of your assets (other than as part of a solvent reorganisation); or
 - (ii) are the subject of a proposal for a voluntary arrangement under the Insolvency Act 1986 or the Corporate Insolvency and Governance Act 2020 or you make an arrangement or compromise with creditors; or
 - (iii) are unable to pay your debts within the meaning of section 123 of the Insolvency Act 1986; or
 - (iv) have a petition presented (which is not discharged within 14 days of presentation) to any court for your winding up or for an administration order; or
 - (v) have a receiver, manager, administrator, administrative receiver, provisional liquidator, liquidator, or similar officer appointed over all or any part of your undertaking, assets or income; or
 - (vi) pass a resolution for your winding-up; or
 - (vii) have a creditor take possession of any of your assets at any property; or
 - (viii) have execution levied against any of your assets at any property; or
 - (ix) have any Main, Territorial or Secondary Proceedings opened within the meaning of the EC Regulation on Insolvency Proceedings 2000; or
 - (x) are the subject of any process or event similar or equivalent to the events in (i) to (ix) above in any jurisdiction outside England and Wales;
- (h) if the Property is compulsorily purchased or requisitioned;
- (i) if you surrender possession of the Property to us;
- (j) if the Property is abandoned;

- (k) if it becomes clear that our security over the Property under the Mortgage is void or liable to be set aside or otherwise unenforceable;
- (l) if you have given us any materially false, inaccurate or misleading information or you made any material false, inaccurate or misleading statement in connection with your application for the Advance in each case in circumstances where we would not have lent you the money if you had given us the correct or complete information;
- (m) if we reasonably believe you have been involved in fraudulent or serious criminal behaviour; or
- (n) if you fail to comply with your obligations under any lease and this failure results in a risk that our security over the Property under the Mortgage may be set aside (for example by forfeiture) or is otherwise unenforceable.

11.4 At any time after the Whole Debt has become due and payable we may without previous notice to or agreement from you:

- (a) take possession of the Property;
- (b) appoint a receiver over the Property;
- (c) sell the Property (whether or not we have taken possession); and
- (d) exercise all the other powers given to mortgagees by the Property Act.

11.5 At any time after the Whole Debt has become due and payable, we or any receiver appointed by us, may if we or they consider it necessary or desirable for the protection of our security or the better realisation of our security, and without being treated as a mortgagee in possession or becoming liable to account as such:

- (a) carry out repairs, renewals or improvements to the Property;
- (b) carry out any building or development works on the Property and apply for and obtain any appropriate planning or other consents and approvals; and
- (c) exercise the statutory powers of leasing or accepting surrenders of leases without the restrictions contained in sections 99 and 100 of the Property Act,

all as we or the receiver may in our or their discretion reasonably think fit. (Sections 99 and 100 contain detailed provisions governing the terms on which leases may be granted or surrenders accepted).

11.6 After taking possession of the Property we or any receiver appointed by us may at your expense remove, store, sell or otherwise deal with any goods or animals which you have not removed from the Property. We will not be responsible for any loss caused by our so doing. We will account to you for all proceeds received less all expenses reasonably incurred in so acting. Nothing in this Condition gives us a charge over any goods or animals at the Property.

- 11.7 Any receiver appointed by us will be entitled to exercise the power to sell the Property, as a separate and distinct power to our power of sale under the Property Act.
- 11.8 We and any receiver appointed by us may in the exercise of our or their powers under the Mortgage employ and pay agents who shall be your agents and you will be responsible for their remuneration at such rates as we or any receiver may reasonably agree.
- 11.9 Where the Property has been let furnished, we or any receiver may apply all the rent as if it were rent of the Property and need not make any apportionment of such rent in respect of any furniture or goods.
- 11.10 If the Whole Debt has become due and payable:
- (a) if you are a sole Borrower:
- (i) we may apply any sums received from you to reduce the amount you owe on any account with us which is secured by the Mortgage, unless when you make the payment you require us to apply the sum to a particular account or accounts or unless we have to apply the sum in a particular way to comply with a regulatory requirement or regulatory guidance; and
 - (ii) we may use the money in any savings account you have with us in your sole name or jointly with another person or persons as set out in paragraph (i) above if the terms of that account allow us to do so and subject to any conditions in the terms of that account;
- (b) if there is more than one Borrower:
- (i) we may apply any sums received from you as set out in paragraph (a)(i) above, except that where under that provision we are free to apply the sum to any account we will apply it in reduction of sums owed on accounts in the name of both or all of you before applying any sum to an account in the name of one or some of you only; and
 - (ii) we may use the money in any savings account you have with us in your joint names or in the sole name of any one of you or in the name of some only of you (and in each case whether or not jointly with another person who is not a party to the Mortgage) as set out in paragraph (i) above if the terms of that account allow us to do so and subject to any conditions in the terms of that account; and
- (c) we will inform you by notice under Condition 19 in advance of a proposed exercise of the power given by paragraphs (a)(ii) and (b)(ii) above, unless we reasonably think that you or another account holder would remove the money from the account to prevent us from doing so. If we do not give advance notice, we will give you notice under Condition 19 as soon as reasonably practicable after we exercise the power.

- 11.11 If you are in breach of any of the provisions of the Mortgage or the Agreement so that the Whole Debt becomes due, and you fail to remedy the breach (if capable of remedy) within 21 days of us giving you notice requiring you to do so, then where the Mortgage is not a repayment mortgage we may, in addition to any other remedies, convert the Mortgage to a repayment mortgage and vary the Monthly Payments accordingly if we reasonably believe that to do so will protect our ability to secure payment of the Whole Debt.
- 11.12 Before we take any action under Condition 11.11 we will contact you to discuss your circumstances and options and give you reasonable time to bring any missed payments under the Mortgage up to date. In exercising our powers under Condition 11.11 we will act reasonably and in accordance with regulatory requirements.
- 11.13 Where the Whole Debt is due under Condition 11.3 (n) you provide consent to disclose details of the Mortgage to any landlord and any management company for the purposes of taking the action in Condition 11.4.

12 Further provisions relating to a receiver appointed by us

- 12.1 Any receiver appointed by us will be your agent and you will be responsible for the receiver's acts or omissions.
- 12.2 A receiver may charge such amount for their remuneration as we reasonably agree with them.
- 12.3 A receiver may pay any money owing by you in such order of priority as they reasonably think fit.

13 Our power to enter and repair

- 13.1 While the Mortgage continues you must permit us and our agents, after reasonable notice, to enter and view the Property.
- 13.2 You must remedy any defect in the repair or condition of the Property within such reasonable time as we may require and at your cost.
- 13.3 If you fail to remedy any such defect within the required time, or if you are in breach of any other obligation in these Conditions as to the carrying out of any works on the Property or the doing of any other act or thing, then we or any receiver appointed by us may enter upon the Property with workmen and others and may remedy the defect or breach and recover the reasonable cost of doing so from you as set out in Condition 6.9(b).
- 13.4 No exercise of any power contained in this Condition 13 shall make us liable as mortgagee in possession.

14 Related Rights

14.1 In this Condition 14 **Related Rights** means:

- (a) any option to purchase the freehold or superior leasehold or a new lease of the Property;
- (b) any right to acquire further or additional shares or interests in the Property which is included in, or otherwise granted to you in, a shared ownership lease (or any documentation supplemental to or associated with such lease);
- (c) 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;
- (d) any share or membership rights in a residents' association or management company relating to the Property;
- (e) any guarantees or insurances relating to the Property including guarantees for work done to the Property; and
- (f) any other benefit or right of any kind relating to the Property or its construction or the title to the Property.

14.2 As further security for the monies and liabilities secured by the Mortgage you assign the Related Rights to us so far as you are able to do so and agree that we have full power to obtain, exercise and deal with all the Related Rights as if we were absolutely entitled to them.

14.3 If you receive any money in respect of any Related Rights you will hold it on trust for us.

14.4 Any proceeds arising from the Related Rights, after deducting all costs incurred by us, will be applied in reducing the Whole Debt, and any surplus will be paid to you or any other person then entitled to the surplus.

15 Consolidation and redemption

15.1 If you wish to repay the Whole Debt and redeem the Mortgage we may require you to repay any money owed to us on any other account with us, including an account in respect of any other mortgage or charge. Accordingly, section 93 of the Property Act shall not apply to the Mortgage. (Section 93 enables a borrower to redeem one mortgage without paying the money secured by another, unless the mortgage provides otherwise.) We will only exercise this right if we reasonably believe that otherwise our security for the other money you owe us would or might be insufficient.

15.2 Subject to Condition 15.1 and to the provisions of any Agreement:

- (a) you may make payments in advance; and

- (b) you may at any time redeem the Mortgage by paying the Whole Debt (including any early repayment charge applicable), whereupon we will at your expense (including any charges associated with the discharge) discharge the Mortgage.

16 Power of attorney

- 16.1 We, and (where applicable) any receiver appointed over the Property, may need to take certain action on your behalf to protect our security. You therefore appoint us (and separately any receiver appointed over the Property) to be your attorney to take such action where necessary. This means we (and any receiver appointed over the Property) are legally entitled to act on your behalf. We are appointed for as long as the Mortgage remains in force securing any Advance you owe to us.
- 16.2 If there are two or more of you named on the Mortgage, then you agree that we and any receiver appointed will be attorney for each of you individually as well as for all of you jointly.
- 16.3 You give us a power of attorney authorising us and any receiver to act on your behalf to take any action which you are obliged to take under these Conditions, including but not limited to:
 - (a) signing and delivering any deed or document which is needed to make good any defect in your title to the Property or the Mortgage;
 - (b) exercising any rights or powers which you have in respect of the Property or the Related Rights; and
 - (c) entering into any variation of your title to the Property in order to protect or enhance our security.

17 Our power to transfer the Whole Debt, the Mortgage and other security

- 17.1 We may at any time and without obtaining your consent transfer to any other person (whether or not a building society) all or any of our rights and obligations in relation to all or any part of the Whole Debt, the Mortgage and any related security. If we do so, you will be able to enforce the transferred obligations against that person in the same way that you could enforce them against us before the transfer and they will be able to exercise our rights and enforce your obligations to the same extent as we could before the transfer.
- 17.2 Any transfer under Condition 17.1 will not:
 - (a) reduce your rights or increase your obligations under the Agreement; or
 - (b) reduce any guarantees you have under or by virtue of the Agreement.

- 17.3 We may disclose information we hold about you to any person who takes, or is about to take, a transfer of the Mortgage, including:
- (a) any information you gave us when you applied for the Mortgage;
 - (b) any documents supporting your application; and
 - (c) any other information or documents we hold concerning the Property, the Offer, any other security we hold in respect of the Whole Debt, your account or the way you have performed your obligations under this Agreement.
- 17.4 If we transfer our rights under the Mortgage, you will no longer be a borrowing member of the Society.

18 Miscellaneous

- 18.1 If we decide not to enforce any part of these Conditions or if we delay enforcing any part of these Conditions, such delay or inaction will not affect our right to enforce the same part at a later date.
- 18.2 Each of the provisions of the Mortgage is separate and distinct from the others and if at any time any one or more of such provisions becomes illegal, invalid or unenforceable, this will not affect the legality, validity or enforceability of the remaining provisions.
- 18.3 We may on giving you 30 days' notice under Condition 19 vary any of the Conditions for one or more of the following reasons:
- (a) to enable us to respond proportionately to a change in the legal or regulatory requirements, codes of practice or the way we are regulated, or a decision of a court or an ombudsman;
 - (b) to correct any errors which do not change the meaning of the relevant words, phrase or Condition; or
 - (c) to make the Conditions easier to understand or to make them fairer to you,
- however we will not exercise our power under this Condition in a way which would impose greater obligations on you than the obligations set out in the Conditions as they now stand (whether or not those obligations are valid and enforceable according to their terms).
- 18.4 Only you and we may enforce the terms of the Agreement and the Mortgage and the provisions of the Contracts (Rights of Third Parties) Act 1999 are therefore excluded.

19 Notices

- 19.1 We may give you notice or make a demand under these Conditions by:
- (a) posting it addressed to you, to the last known address that you gave us or (if we have reason to believe it will not reach you at that address) the Property, and you will be treated as having received it within 48 hours after posting; or
 - (b) sending it by email to the last known email address you have given us, and you will be treated as having received it on the day the email is sent.
- 19.2 If there is more than one of you, and you share the same address, we will send a single copy of the notice or demand addressed to all Borrowers. If you have a different address, we will send a copy of the notice or demand to each address.
- 19.3 You must let us know straightaway if you change your name, address, email address or telephone number. If we lose contact with you, we may instruct tracing agents to locate you and you will be responsible for any costs and charges incurred.

20 Law

- 20.1 The Mortgage will be governed by the laws of England and Wales. English law will decide any legal questions about the Conditions and our dealings with you with a view to entering into the Mortgage. The Courts of England and Wales shall have exclusive jurisdiction over any claim or dispute (including non-contractual disputes or claims).
- 20.2 The contract that will be formed on completion of the Mortgage will be in English and during the term of the Mortgage we will always communicate with you in English.

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