

Mortgage Conditions (Scotland)

Bath Building Society

We're different because you are

Introduction and explanations – how to use this brochure

This brochure is set out in three parts:

Part A - Mortgage Conditions

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

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

Part B – Your Membership of the Society

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

Part C – Important information

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

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

Index

Part A - Mortgage Conditions		**4**
1	Introduction and key terms	4
2	When and how you will repay your mortgage	7
3	Guarantors	10
4	The interest we charge	10
5	Paying our costs and charges	11
6	Insuring your property	12
7	Life Insurance	13
8	Use of your property – what you must do and when you need to ask for our permission	14
9	Interest only mortgages	17
10	Borrowers with a mortgage on more than one property	18
11	When we can ask you to repay the mortgage in full before the end of the mortgage term and the actions we may take if you don't	18
12	Acting on your behalf	22
13	Changes to the agreement	22
14	Communicating with you	23
15	Transferring your mortgage	23
16	Data protection	24
17	Miscellaneous	25
18	The law applying to the agreement	26
Part B - Your Membership of the Society		**26**
Part C	**Important information**	**26**
1	How to contact us	26
2	How we're regulated	26
3	How to complain	27

Part A – Mortgage Conditions

1. Introduction and key terms

The mortgage conditions are an important legal document. This Part sets out the conditions which apply to your mortgage, including the rights and obligations which apply to you and us, and you agree to comply with all of these conditions until everything you owe us has been paid. They form part of our agreement with you (we refer to this as the **agreement** or the **mortgage** throughout these mortgage conditions). Our agreement is also made up of:

- **application declarations:** the declarations and information that you have given in your mortgage application.
- **mortgage offer:** the mortgage offer provides all of the information that is specific to your mortgage, such as how much we're lending you and the interest rate we're charging. If your mortgage offer says something different to other documents that form part of the agreement, the mortgage offer has priority.
- **mortgage deed:** the legal document which creates a standard security over the property named in it (called **your property** in these mortgage conditions) – this is our security for all money you owe us, whether or not under the mortgage.
- **tariff of fees and charges:** the tariff of fees and charges sets out our standard charges and costs that you may have to pay during the life of your mortgage.
- any other document entered into in connection with this mortgage. For example, any guarantee or additional security documents we ask you or a third party to enter into in connection with this mortgage.

The agreement will last until you have paid us everything you owe us, whether under the mortgage or otherwise and we no longer have a standard security over your property.

We'll let you know in your mortgage offer if we require a guarantee for your liabilities under the agreement. The person giving a guarantee is known as the **guarantor**.

Some words and phrases we use in the agreement have a technical meaning. We have explained some of the meanings below. Where a word appears in the singular it can also mean the same in the plural, where appropriate. When we use words in these conditions, like "for example", "including" and "in particular", that means that the wording surrounding them is illustrative only and is not meant to limit the meaning of words or expressions.

If any of these conditions are not consistent with the standard conditions, these conditions will have priority over the standard conditions, to the extent allowed by the conveyancing act.

borrower, you and your	means the person or people shown as the borrower in the mortgage offer (and their personal representatives and anyone who takes over their legal rights and duties under the mortgage). If there is more than one of 'you', 'you' or 'your' means all or any of you. You're each responsible for the entire mortgage as individuals and also responsible jointly.
completion date	is the date on which we release funds for a loan by the electronic transfer of money, to you or your solicitor or any other person on your behalf.
conveyancing act	the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended from time to time.
costs and charges	the costs and charges set out in your mortgage offer or described in condition 5 (paying our costs and charges) on page 11.
Further advance	each separate sum of additional money we lend you after the initial loan we make to you, secured by the mortgage deed.
Interest	the interest rate set out in your mortgage offer and described in condition 4 (interest we charge) on page 10.

month	a calendar month.
monthly payment	the amount you must pay each month on the payment day. This is set out in your mortgage offer; however we can change this amount in accordance with condition 2.9.
payment day	the date your monthly payment is due. This will be the last day of each month unless we have changed it, in which case it will be the date it was changed to.
security	any, charge (fixed or floating), pledge, lien, assignation, guarantee or other security interest which you or any other person gives us to secure your obligations under the agreement.
special mortgage scheme	is any product which is not at our standard variable rate or is at our standard variable rate but you have had the benefit of a discount cashback or other scheme benefit. A special mortgage scheme may be for a specified period.
standard conditions	the standard conditions set out in Schedule 3 to the conveyancing act.
standard variable rate	our standard variable rate, which you can check at any time on our website.
Tariff	our tariff of mortgage charges.
we, our, us and the Society	Bath Investment & Building Society. It also means any person to whom we transfer any of our rights under the agreement.
Year	a calendar year.

2. When and how you will repay your mortgage

2.1 You must repay all the money we lend you plus interest, costs and charges, by the end of the mortgage term set out in your mortgage offer – if you don't do so we can continue to apply interest to any amount outstanding at the interest rate until it's fully repaid.

2.2 You must pay to us the monthly payments set out in your mortgage offer (or any changed monthly payments which apply under these mortgage conditions) on time. For the purpose of calculating the monthly payments we may assume that each month is an equal twelfth part of the year.

2.3 Your mortgage offer will say if it's a repayment, interest only or part and part mortgage:

What is a repayment mortgage?	With a repayment mortgage, we calculate your monthly payment so that you repay what you owe with interest in equal instalments over your mortgage term. Your monthly payments won't cover any arrears, so if you go into arrears during your mortgage term you'll need to make separate arrangements to repay the arrears at the end of the mortgage term if you have not been able to pay them off in the meantime – we'll tell you what your options are at the time.
What is an interest-only mortgage?	With an interest-only mortgage your monthly payment will only pay us the interest we charge. You'll have to pay the money we lend you at or by the end of your mortgage term. If your mortgage is a retirement mortgage, the money we lend you will usually be repaid from a sale of your property.
What is a part and part mortgage?	With a part and part mortgage you pay off some of the mortgage over the mortgage term, but not all of it. When the mortgage term comes to an end there will still be some money left to pay off.

2.4 The payment day is the last day of each month, unless we change it for the reasons given below. If the payment day does not fall on a working day, payment will be taken on the next working day.

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

2.6 We may change your payment day at any time to reflect:

2.6.1 a change in the law, regulatory requirements or code of practice; or

2.6.2 a technological change.

We'll give you at least two months' notice of any change that we're making to your payment day.

2.7 Your first monthly payment may be more or less than the usual monthly payment amount stated in your mortgage offer. This depends on the date completion takes place. We will write to you to tell you the first monthly payment amount.

2.8 Your final monthly payment may also be more or less than the usual monthly payment amount to take into account any overpayments or underpayments on your mortgage or any amounts which you added to your mortgage and which you did not pay earlier.

2.9 We may change the amount of your monthly payment to reflect any changes to:

2.9.1 your interest rate;

2.9.2 the amount of money you owe us;

2.9.3 the likelihood of you repaying the money you owe us within the mortgage term;

2.9.4 the repayment type for the mortgage;

2.9.5 the mortgage term; or

2.9.6 law or regulation.

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

2.10 You will only be able to take a payment holiday or to make underpayments if we have agreed this in your mortgage offer.

2.11 If you don't make the monthly payment (plus any costs and charges) in full when due, we'll apply the amount you actually pay us:

2.11.1 towards any arrears; then

2.11.2 towards any unpaid charges and any unpaid interest which doesn't form part of the arrears; and then

2.11.3 towards the rest of the outstanding balance on your mortgage account.

2.12 We'll only release the security for your mortgage when you've repaid everything you owe us in full, whether under the mortgage or otherwise. In the event we release your mortgage by mistake (because, for example, we wrongly calculate the total of the money you owe us) we may ask you to pay the amount you still owe. We will only do this if we write to you within three months of the date we released the mortgage informing you that we have made a mistake, and you have not materially changed your financial position as a result of our mistake.

2.13 You can repay all or part of the money we lend you at any time, as long as you also pay interest payable up to the date of receipt of the early repayment and any early repayment charges that apply. You'll find details of these in your mortgage offer.

2.14 Early repayment charges are also payable if you have to repay a capital repayment mortgage during a special mortgage scheme.

2.15 If you are having problems making your monthly payments or you think a change in your circumstances may affect your ability to pay (for example ill-health) it is important to contact our Head Office as soon as possible. We may be able to help you, for example by deferring a monthly payment or making special arrangements allowing you to alter the amount and timing of your monthly payments or make other agreed variations to the type of mortgage or mortgage term. If we are able to help you must remember that:

2.15.1 this does not release you from any of the conditions of your mortgage and you must still repay the money you owe us;

2.15.2 this does not affect any of our rights over your property, including our right to sell it in order to repay the money you owe us;

2.15.3 if anyone has guaranteed your obligations under the agreement, any special arrangement made by us will not alter the guarantor's responsibility to repay the money you owe us if asked to do so; and

2.15.4 it is your responsibility to satisfy yourself as to the effect of any special arrangement on your mortgage term, the money you owe us and/or the amount of your monthly payments or initial monthly payments.

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

3. Guarantors

By signing the mortgage deed the guarantor(s) agree(s) to pay all money we lend the borrower plus any interest, costs and charges, if you do not. The guarantor also agrees to make sure that you perform all your obligations under the agreement. The guarantor will be given a copy of these conditions and will sign your mortgage deed (and a separate guarantee), confirming their acceptance of these conditions, which will then apply to them.

4. The interest we charge

4.1 We charge interest on everything you owe us (including any costs and charges) unless we tell you we are not charging interest on something.

4.2 We start charging interest:

4.2.1 on any money we lend to you, from the day we lend it to you;

4.2.2 on interest charged from the day after we add it to your mortgage account;

4.2.3 on any costs and charges we add to your mortgage account from the day we do so.

4.3 This means that we charge interest on arrears, costs and charges and any interest on arrears that you haven't paid.

4.4 If you make a payment to us it will reduce what you owe (and the amount we charge interest on) from the date we actually receive the money.

4.5 Your mortgage offer tells you what the interest rate is. This will be:

Fixed interest rate:

4.5.1 If the interest rate is fixed then your mortgage offer will tell you how long the interest rate is fixed for. During that time the interest rate will not go up or down. Once the fixed period comes to an end then your interest rate will be set by reference to a variable rate. The type of variable rate will be set out in your offer letter.

Variable interest rate:

4.5.2 A variable interest rate is an interest rate that can go up or down. We use a standard variable rate, which will be set out in your mortgage offer. If your variable rate is a discounted rate, this means that interest is calculated by reference to a percentage discount from our standard variable rate, as set out in your mortgage offer.

4.5.3 If a variable rate applies to your mortgage, your interest rate could fall to 0%, but never below this.

4.6 Your monthly payment will be recalculated to reflect changes in our standard variable rate. We will give you two weeks' notice before the rate changes.

4.7 We can change the standard variable rate at any time to reflect any one or more of the following:

4.7.1 to reflect any further money we lend to you;

4.7.2 changes to other rates which the standard variable rate follows (for example the Bank of England base rate);

4.7.3 a change in our costs in funding your mortgage (for example where rates increase on the money we borrow to fund your mortgage) or in operating our mortgage business;

4.7.4 a change in law, codes of practice or the decisions or guidance of a court, regulator, ombudsman or similar body.

4.8 Interest will be calculated at the interest rate daily on the basis of a 365-day year. The interest will be added to your mortgage account on the first day of the next calendar month.

4.9 Interest for the period from the completion date of an advance to the last day of the month in which that completion date occurs will be added to the money you owe us. If you would prefer to pay this interest rather than have it added to the money you owe us, please contact us.

4.10 When we calculate any interest you owe, we will not take percentages beyond three decimal places.

4.11 We will not change the interest rate during the period in which the rate is fixed under a special mortgage scheme.

5. Paying our costs and charges

5.1 We may charge fees for our service that reflect the expenses we incur, the cost of staff time, and the use of our office and computer facilities. A list of these fees will be set out in your mortgage offer, and a full list of all fees can be found in our tariff, included on our website which you will also receive a copy of when you enter into the mortgage.

5.2 Additionally, if you fail to perform any of your obligations under these conditions, we may choose to perform them on your behalf, and pay any money which is necessary to do so. You agree to reimburse us for any costs and expenses we incur in this respect.

5.3 You must pay any fee we charge under condition 5.1 as soon as we give you written notice to pay it.

If you do not pay it within 14 calendar days of the date of our written notice, interest may be charged on the amount of the fee from the date the notice is given.

5.4 We can change the fees we charge at any time to reflect:

5.4.1 the introduction of a new service;

5.4.2 changes in costs or expenses we incur or are expected to incur in providing your mortgage or which relate to the fee;

5.4.3 technological change;

5.4.4 the requirements of any relevant regulatory body or decision or recommendation taken by a court or ombudsman or other body; or

5.4.5 changes to the law, codes of practice or the way we are regulated.

5.5 Changes may include the removal of, or changes to, existing fees or the introduction of new fees. Where we introduce new fees, or increase existing fees, we will tell you about the change, not less than 30 days before it takes effect, as follows:

5.5.1 by letter or other personal notice; or

5.5.2 by sending you an updated copy of our tariff of mortgage fees and a covering letter indicating some fees have changed; and

5.5.3 by updating the tariff on our website: www.bathbuildingsociety.co.uk

5.6 We may not give you notice of any change which reduces the amount of an existing fee or stops charging it altogether.

5.7 You may also have to pay our costs, and where we are entitled under these conditions to recover from you any costs or expenses, you must pay them to us:

5.7.1 within 14 calendar days of us giving you written notice to pay them; and

5.7.2 in full, unless you can show that they are unreasonable.

5.8 If you do not pay our costs to us within 14 calendar days of the date of our written notice to you to pay them, they will be added to the money you owe us and interest may be charged on them from the date the notice was given.

5.9 If you make any payment by cheque, it must be made payable to the name of the borrower rather than to Bath Building Society.

6. Insuring your property

6.1 You are responsible for keeping your property adequately insured for as long as you owe us any money under or in respect of your mortgage, for at least the reinstatement value of your property, which will be determined by a surveyor we instruct. You must pay the insurance premiums (and any other charges) on the insurance you take out.

6.2 You must not do anything which means the insurer could refuse to pay claims or refuse to provide insurance cover, and if the insurer cancels your policy, we will have the right to put insurance in place for you and recover the cost of doing so, or if the property is not economically insurable we may demand repayment of the money you owe us and/or take your property into our possession.

6.3 If we ask, you must show us the insurance documents or receipts proving the premiums have been paid and/or deposit the insurance policy with us.

6.4 When you take out insurance for your property, you must allow us to pay any insurance premiums which you fail to pay.

6.5 If we decide you are not adequately insuring your property, we may choose to (but are not obliged to) take out insurance on your behalf. It will be your responsibility to pay the premiums for this insurance, and if you do not the cost of paying them will be added to the money you owe us and interest will be charged on them.

6.6 We will let you know in advance when we take out insurance on your behalf or add any premiums to the money you owe us.

6.7 We will retain any commission or other sums we receive from the insurance company when putting insurance in place, unless required by law to pay it to you.

6.8 If a claim is made on your insurance, any money received from the insurer must be used to repair or rebuild your property or reduce or pay off the money you owe us.

6.9 You must immediately inform your insurers about any changes in circumstances which may affect your insurance cover and us of any material change in the nature or scope of your insurance cover, or of any circumstance affecting or likely to affect the validity of any insurance policy relating to your property.

7. Life insurance

7.1 If we require you to have a life insurance policy, and if we would like security over that life policy, we will let you know in the mortgage offer. Where any life insurance policy we require is not owned by you but by another person, where we refer to 'you' in this condition we also include that other person.

7.2 You agree to keep the life insurance policy valid for our benefit only for the duration of the

mortgage (so we can obtain all the money that is paid out), paying all amounts required to the insurer on time and showing us receipts of these payments if we ask. If the life insurance policy does become invalid you will do everything needed to replace the invalid policy with an identical new policy.

7.3 If we require a life insurance policy as security and the assignment of it fails for any reason, the policy will instead be treated as deposited with us and we will have an equitable charge (another form of security) over it.

7.4 Any money that we receive in respect of the life insurance policy at any time or for whatever reason will be used to reduce or discharge the money you owe us.

7.5 When all the money you owe us is repaid we will, if requested, give the life insurance policy back to the person entitled to it so. Any reasonable costs that we incur in giving it back must be paid by the person entitled to the policy.

7.6 If all the money you owe us is repaid we may (with the agreement of the policy owner) keep the life insurance policy to be used in connection with the payment of other money that we may have lent to you or that we may lend to you by a new mortgage. In this case the conditions that will govern that mortgage will then apply to that life insurance policy.

7.7 Where the owner of the life insurance policy is not you, that owner agrees not to compete with us in claiming the life insurance policy or any money payable under it until all the money you owe us has been repaid in full.

7.8 You agree that no money has been or will be borrowed by the borrower or the owner of the life insurance policy from the insurer (or anyone else) in connection with the life insurance policy.

7.9 In the event that you do not for any reason keep up any life insurance taken out in relation to an interest only mortgage, we reserve the right to convert your mortgage to a repayment mortgage, subject to a financial review. We will always discuss this with you first and come to an appropriate arrangement with you. If with your agreement we convert the mortgage to a repayment mortgage, you will have a period of 60 days from the date of us giving you notice of the change in which you can pay off the mortgage in full without having to pay any early repayment charges.

8. Use of your property – what you must do and when you need to ask for our permission

8.1 By entering into the mortgage, you have given us security over the property.

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

8.2.1 You must:

(a) look after the property and keep it in good condition, carrying out any necessary repairs;

(b) ensure that any unfinished building works on the property are completed without delay and to the required standard;

(c) tell us within 14 days about (and give us a new mortgage (if we ask) over) any increased interest you get in the property (for example a new or extended lease on your property);

(d) if the property is leasehold, comply with all of the tenant's obligations under the lease (including paying any ground rent and service charges on time);

(e) pay all rents, taxes and outgoings affecting the property;

(f) let us know immediately if you receive any notices from a landlord claiming that you've not complied with terms of the lease and take all reasonable and necessary steps to comply with the requirements of such notice;

(g) let us know immediately if you receive any notices claiming that you've not complied with any consents or regulations for example from a landlord or government department and take all reasonable and necessary steps to comply with the requirements of such notice;

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

8.3 You must comply with all rules, regulations and agreements affecting your property, these include, but are not limited to:

8.3.1 local or any other authority planning conditions;

8.3.2 planning and housing acts;

8.3.3 environmental law notices issued by your local authority; and

8.3.4 any legal obligations on you in respect of the property (whether under the property's title, the agreement or otherwise).

8.4 If you receive an environmental law notice you must send us a copy of the notice and keep us informed about your progress in complying with it.

8.5 You must send us a copy of any notices you receive from or send to anyone relating to compliance with any legal obligations affecting your property.

8.6 You must inform us immediately if your property is included in any road widening, clearance or development scheme or is likely to be negatively affected by any town planning scheme.

8.7 If there is any building work that is being carried out on your property at the time your mortgage is signed or at a later date, you agree to complete that work properly and without delay.

8.8 You will allow us, or any agent we use, to visit and inspect your property at any reasonable time to ensure you have complied with these conditions, or make an assessment. We will always give you reasonable notice of any inspection we propose to make, except in an unavoidable emergency.

8.9 You agree to maintain your property to a good standard, and not to damage or do anything to it that may reduce its value. If we assess your property as not in good repair the Society may require you to take reasonable steps to ensure that it is.

8.10 You must obtain our written consent before:

8.10.1 allowing anyone to live in your property or share occupation with you. Any consent will be limited to those people only and for a set period. If you would like new occupiers, or to extend the term that existing occupiers can stay you must obtain further written consent from us;

8.10.2 making any alterations or additions to your property or before changing its use. Where we do grant consent you must ensure you comply with any planning and housing acts and building regulations before making those additions or alterations;

8.10.3 applying for a grant (including from a local authority) or any other loan in respect of your property or allowing anyone else to obtain an interest in your property;

8.10.4 selling or transferring your property or any part of or interest in it to any other person; or

8.10.5 giving security over the property to someone else.

9. Interest only mortgages

9.1 If you have an interest only mortgage you must ensure that you have a plan to repay the money you owe us at the end of the mortgage term and we will require you to show us this before making a mortgage offer, and at such other times as we determine thereafter. The sort of evidence we would expect to see:

Where you intend to repay the money you owe us using a pension lump sum	a copy of your pension statement
Where you intend to repay the money you owe us using an endowment policy	a copy of your endowment statement/ proposal
Where you intend to repay the money you owe us using a trust fund	a copy of the trust deed
Where you intend to repay the money you owe us using money from selling shares	a copy of your share certificates

If you have a retirement interest only mortgage, the sale of your property is an acceptable repayment plan.

9.2 You must notify us immediately should any event occur which may negatively impact on the adequacy of your repayment strategy, so we can try and come to an arrangement with you.

9.3 If we believe that you do not have an adequate plan to repay the money you owe us we may convert your mortgage to a repayment mortgage, meaning your monthly payment will now include both the repayment of capital as well as interest.

9.4 We will only convert your mortgage where we have undertaken a financial review of your circumstances in accordance with our responsible lending policy, and obtained your agreement. An exception may be made in forbearance situations.

9.5 We will give you at least 30 days' written notice of our plans to convert your mortgage. Where we have already released the funds to your solicitor, you will have a period of 60 days from the date of us giving you notice in which you can pay off the mortgage in full without having to pay any early repayment charges.

10. Borrowers with a mortgage on more than one property.

This condition 10 only applies if you have more than one property mortgaged to us

.

10.1 The mortgage deed is security for all amounts you owe to the Society at any time, including the money you owe us under the other mortgages or loans you have with us. This means:

10.1.1 if you wish to pay off money we have lent you which is secured against one property only, we may require you at the same time to repay the amounts you owe us secured on some or all of your other properties mortgaged to us. We will always give you reasonable notice of this;

10.1.2 to the extent there is a shortfall on the repayment of the mortgage, we can recover it from the proceeds of sale of any other property you have mortgaged to us.

10.2 Condition 10.1 does not apply to money which is owing to us under an agreement which is a regulated agreement as defined by the Consumer Credit Act 1974, unless the appropriate requirements of the Act have been complied with.

11. When we can ask you to repay the mortgage in full before the end of the mortgage term and the actions we may take if you don't

11.1 In certain circumstances we may write to you and require you to repay the money you owe us immediately and take steps to recover this amount if you do not pay. We'll only do this:

11.1.1 if you do not pay any monthly payment or other amount owing to us under the agreement at the time it is due;

11.1.2 if you breach any term of the mortgage (other than for the payment of money) in a way that is more than minor and that you can't fix quickly;

11.1.3 if you, or your guarantor (if there is one), is made bankrupt;

11.1.4 if you, or your guarantor (if there is one), takes steps to make or makes an arrangement with anybody else to whom you or that guarantor owes money because of difficulty in making required payments;

11.1.5 you gave us incorrect or incomplete information when you applied for the mortgage and we wouldn't have lent the money to you if you'd given us the correct or complete information;

11.1.6 the property is leasehold and you breach the terms of the lease, for example, you don't pay the ground rent or service charge;

11.1.7 you die or you are joint borrowers and the last surviving one of you dies;

11.1.8 your property is compulsorily acquired (for example, a local authority forces you to sell your property to them);

11.1.9 if you give your property to us or if we believe (acting reasonably) that you have abandoned it;

11.1.10 if any part of your property is demolished without our consent.

11.2 If any of the events in condition 11.1 happen and you are required to pay us the money you owe us, we may immediately take steps to:

11.2.1 repossess the property; and/or

11.2.2 sell the property.

11.3 We can also use other enforcement rights under the conveyancing act. These enforcement rights include:

11.3.1 carrying out any repairs or building work necessary to ensure that the property is in good condition (including obtaining any consents necessary for such work); and

11.3.2 granting leases or tenancies of the property on whatever terms we choose. We can also vary the terms of, end, review or accept the surrender of leases over the property. If the property is let, we can collect any rent payable.

11.4 We will always act reasonably in exercising our power of sale or other rights. At any time or times after our power of sale has become exercisable, we may do any of the following:

11.4.1 take possession of your property and require you to leave it;

11.4.2 require any tenants or tradespeople or others who may be in the possession of your property to leave it unless they are there with our consent;

11.4.3 carry out all the powers which are given to us by the conveyancing act;

11.4.4 accept surrenders of leases and grant or renew leases or tenancies;

11.4.5 arrange and carry out all repairs, works, alterations, demolition, change of use under Planning and Housing Acts, additions, road schemes and developments to your property and to do all such other things as may in our reasonable opinion be necessary or desirable for maintaining or enhancing the value of your property and generally to manage your property;

11.4.6 employ and also pay persons for carrying out any of these powers at a price or fee and upon any terms;

11.4.7 let and manage your property (but this will be at your risk);

11.4.8 put any money which we receive in exercising any of these powers towards any future monthly payments that become due or towards other money that may be due or become due from you under these conditions;

11.4.9 at the time that we take possession of your property, or afterwards, remove, store, sell or deal with any furniture or goods that you may have in your property and that you have failed or have refused to remove. We will notify you of this before we do it. In exercising this additional power we will be acting as your agent. We will account to you for any sale proceeds we receive (after deducting our reasonable expenses), but otherwise we will not be liable for any loss or damage that may occur. You will be responsible for any costs and expenses we reasonably incur. In carrying out this power we will not have any right to keep any of these items as security under the mortgage;

11.4.10 after we have entered into possession of your property or any part of it, we may give up possession if we give notice to you before doing so;

11.4.11 retain all sums allowed to us by way of commission or otherwise. We will notify you of any amounts paid to us but these sums will belong absolutely to us and we will not be required to give you the commission;

11.4.12 divide your property as we see fit and sell any part of your property separately. We may also sell your property for a price to be paid in instalments over a period that we shall determine if we believe that in doing so we will be able to obtain a better price for your property.

11.5 As the owner of your property:

11.5.1 you may belong to a management company or commonhold association or a tenants' or residents' association. If we have no mortgage over those membership rights when we exercise our power of sale of your property, you grant us an irrevocable power of attorney by way of security to transfer your membership rights to the purchaser and to keep any payment made for the transfer;

11.5.2 you may own a heritable interest or other interest in another property as part of an arrangement specific to your property. If we have no mortgage over that interest when we exercise our power of sale of your property, you grant us an irrevocable power of attorney by way of security to transfer your rights to the purchaser and to keep any payment made for the transfer.

11.6 When your property is sold, either by you or by us, it may not realise enough money to repay the money you owe us. If that happens, you must immediately pay us the difference on request. Interest will continue to be charged on the amount you owe us until we have received payment of the money you owe us in full. Your guarantor (if you have one) may also be asked to repay the outstanding amount.

11.7 The money that we receive after we have exercised any of the powers contained in these conditions will be used as follows:

11.7.1 first, we will pay all costs and expenses which have been incurred by us in exercising any of our rights under the mortgage including the sale of your property or any previous attempts to sell it;

11.7.2 second, we will use any remaining money towards repaying the money you owe us;

11.7.3 third, if any money remains after the money you owe us has been paid, we will pay that surplus money to you or, if you are not entitled to it, to the persons who reasonably appear to us to be entitled to it (after making reasonable enquiries).

11.8 Where you have a life policy, we may also do any of the following on giving you reasonable notice (so far as applicable, depending on the type of life insurance policy concerned):

11.8.1 surrender the life insurance policy to the insurers;

11.8.2 exchange it for a fully paid life insurance policy;

11.8.3 make such other arrangements as we think fit for realising the value of the life insurance policy;

11.8.4 arrange for the sale of the life insurance policy (and we will be entitled to keep any commission we receive from its sale).

11.9 Our powers contained in the mortgage are in addition to and are not instead of any other powers and remedies that we have by law. We will not be stopped from exercising any power given to us by law if we have already exercised any powers given in the mortgage.

11.10 If we do not immediately exercise any right or power we have under the mortgage, this does not mean that we cannot exercise that right or power in the future.

11.11 Where we become aware of any interest being created in your property that we do not consent to, to protect our position, we may start to record your payments from that point as separate from your previous payments. Even where we do not do this, we can treat any future payments you make us separately and not apply it to reducing the money you owe us. We will always give you notice of our intention to do this.

12. Acting on your behalf

12.1 You appoint and authorise us to be your attorney and to take such action as is necessary to use, protect and enforce our rights under the agreement in your name and on your behalf.

12.2 The actions we can take using this power include, but are not limited to, the following:

12.2.1 signing and completing any document, including a document that is needed to rectify title to your property or to give us security over any additional rights you may obtain in respect of the property;

12.2.2 transferring your share or interest in any residents' society or management company;

12.2.3 sharing information with others who have an interest in your property;

12.2.4 settling any claim by your landlord, management company or commonhold association;

12.2.5 where you have a life insurance policy, to assign, surrender, sell or otherwise deal with the policy or the policy money.

12.3 We are appointed as your attorney for as long as you owe us money and your property is security for money you owe us. You can't revoke this power of attorney.

13. Changes to the agreement

13.1 We may make a proportionate change to the terms and conditions of the agreement if it is reasonable to do so:

13.1.1 to comply with any legal and regulatory requirements;

13.1.2 to respond to any change in how laws and regulations are applied or interpreted, for example, to take account of any decision by a court or ombudsman;

13.1.3 to reflect technological change;

13.1.4 to reflect an improvement in any service or facility we provide in connection with the agreement or to introduce a new service or facility;

13.1.5 to enable us to make reasonable changes to the way we look after your mortgage as a result of changes to the banking or financial system which are beyond our control; or

13.1.6 where we reasonably think it will not be to your disadvantage.

14. Communicating with you

14.1 If we have to serve on you a letter or personal notice or other document under this mortgage it will be in writing and sent to your registered address or other last known address.

14.2 You must keep us informed of any change of your correspondence address.

14.3 If you are not resident in the United Kingdom, you must provide us with a correspondence address or the details of a person authorised to receive correspondence on your behalf (known as a "process agent") to which we can send regulatory, legal and contractual correspondence.

14.4 If we send a notice in the post you are deemed to have received it by the time specified in the Society's Rules or, if the Rules no longer apply (by virtue of condition 15.2) 48 hours after we have posted it regardless of the class of post used.

14.5 If there is more than one of you, a notice given to one of you will be treated as having been given to all of you.

14.6 If we serve a notice on you this is as good as if we had served it on any other party to the mortgage, including a guarantor.

14.7 If we, accidentally, fail to:

14.7.1 send to you a communication intended for our borrowers generally or a category of our borrowers of which you are one; or

14.7.2 display a notice at our Head Office or any Branch,

this will not make the notice invalid.

14.8 If you are required to give us notice under this mortgage, you should do so by contacting us on the details set out on page 26 in Part C. Notices or communications from you will only take effect if sent by the prescribed method and only once they are actually received.

15. Transferring your mortgage

15.1 We may at any time transfer some or all of our rights under the mortgage to any person, whether or not a Building Society. In taking out this mortgage you specifically consent to this. However, we will only transfer our rights if we reasonably think that you will not be unfairly disadvantaged by the transfer. This means we will only transfer the mortgage where we believe the policies operated by that person in connection with the mortgage are not less favourable to you, than the policies we were following before the transfer.

15.2 In connection with such a transfer:

15.2.1 if it is to a person who is not a Building Society, the Rules of the Society will cease to apply;

15.2.2 we may disclose any information relating to you and the mortgage (but will always do so in accordance with our legal and regulatory obligations);

15.2.3 unless the terms of the transfer state otherwise, the person to whom we transfer the mortgage will be able to exercise all the rights and powers that we could exercise before the transfer.

15.3 This condition does not apply to a transfer of the mortgage on a merger between us and another Building Society, or to a transfer of our business to a company. However, we will always take steps to make sure that any such transfer does not reduce your rights under the mortgage.

15.4 You may, subject to these conditions and our consent (which will not be unreasonably withheld but on which we may impose conditions), sell or otherwise transfer your property subject to the mortgage.

15.5 Upon such a sale or transfer, you must pay to us all sums then owing (or such lesser amount as we may decide) under the mortgage.

15.6 The purchaser or transferee shall, from the date of the transfer, become answerable to us for all your liabilities arising under the mortgage until the time the money you owe us is repaid. If so, we may release you at your expense. The transferee shall not be registered in our records nor will you be released from your obligations to us unless:

15.6.1 the requirements of conditions 15.1 and 15.2 have been fulfilled;

15.6.2 the deed by which your property has been transferred and such further deeds, if any, as we may require (including a deed entered into by the purchaser or the transferee under which they agree to comply with these conditions) have first been approved by or on behalf of us, without cost to us; and such deed or deeds have been deposited with us.

16. Data protection

16.1 We are a "Controller" of your "Personal Data" (both these terms are defined in the UK General Data Protection Regulation). A full explanation of how we use your personal data and your rights in relation to your personal data can be found in our Privacy Notice, which is available at: www.bathbuildingsociety.co.uk

16.2 In considering your application, we will search your records at Credit Reference Agencies and Fraud Prevention Agencies. A full description of these searches and how we report information to Credit Reference Agencies and Fraud Prevention Agencies throughout the duration of our relationship with you is set out in the Privacy Notice referred to on the previous page.

17. Miscellaneous

17.1 Although we are not obliged to lend any further money to you the mortgage has the effect of securing any further lending that we may make to you.

17.2 If your property is leasehold there will be included in the mortgage any extended lease which may be granted to you in substitution for the original lease.

17.3 So far as you can (but only until the time when the money you owe us is repaid) you:

17.3.1 assign to us all other rights that you have or may be entitled to have in your property. This will include copyright in any designs or plans made in respect of your property;

17.3.2 agree that you will hold all such other rights on our behalf;

17.3.3 agree that any money received in respect of such other rights will be used to reduce the money you owe us unless we agree with you in writing that it can be used to restore or improve your property.

17.4 The mortgage is the entire legal agreement under which we lend you money and includes the mortgage deed, these conditions, and your mortgage offer. By signing the mortgage deed you promise us that you will comply with everything contained in your mortgage deed, mortgage offer and these conditions and that you understand all the terms.

17.5 If we decide not to enforce any part of the agreement or delay enforcing it, such delay or inaction will not affect our right to enforce the same part at a later date.

17.6 Each of the provisions of these mortgage conditions are distinct from each other. If one or more provisions becomes illegal, invalid, void or unenforceable, this will not affect any of the remaining provisions and the remaining provisions shall apply as if the illegal, invalid, void or unenforceable term had not been included.

17.7 You agree to sign any document that we may need to safeguard the mortgage or our other security or to protect our interests in your property. We will prepare any documents at your cost.

17.8 The Contract (Third Party Rights) (Scotland) Act 2017 will not apply to the agreement. However, if we transfer any of our rights under the mortgage and our agreement to another person, they will be able to use the rights we have transferred.

18. The law applying to the agreement

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

Part B – Your Membership of the Society

Certain customers of building societies become "Members" of it, meaning that they own a stake. When you sign your mortgage deed, you automatically become a "borrowing Member" of Bath Investment & Building Society. This gives you certain rights to vote on and participate in votes which are put to customers of the Society.

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

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

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

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

Part C – Important information

1. How to contact us

You can contact us using the following details:

By telephone
01225 475719

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

By post
15 Queen Square
Bath BA1 2HN

By email
mortgages@bibs.co.uk

Through our website
www.bathbuildingsociety.co.uk

2. How we're regulated

Bath Investment & Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority, Registration Number 206026. Buy to Let and Holiday Let mortgages are not generally regulated.

3. How to complain

3.1 We strive to give you the highest standards of products and services. We understand that things don't always go to plan, and there may be times when we don't live up to your expectations. If this happens, we want you to tell us. We'll do our very best to put things right, as quickly as possible and to your satisfaction.

3.2 We will fully investigate every complaint about our services. Even if your complaint relates to a particular policy decision and we are not necessarily able to change things, we will explain it to you.

3.3 We want to resolve your complaint straightaway and, in the majority of cases, the first person you speak to will usually be able to resolve things for you. If we're unable to do that, we'll contact you within three working days to acknowledge your complaint and tell you who is dealing with it.

3.4 We will then keep you up to date while we are investigating your complaint, until we provide you with a formal resolution letter, as part of our procedure. In most cases reaching this stage, we will be able to resolve your complaint within two weeks of receiving it.

3.5 In exceptional circumstances, particularly where your complaint is complex, it may take over eight weeks to resolve matters for you. We will, however, write to you at that point to let you know you may be eligible to contact the Financial Ombudsman Service (FOS) to review your complaint. You can contact the FOS either via their website at www.financial-ombudsman.org.uk/ or via post at The Financial Ombudsman Service, Exchange Tower, London E14 9SR.

3.6 If you're unhappy with our final response to your complaint, you may be eligible to ask the FOS for an independent review.

3.7 For a full outline of our complaints procedures and how to make a complaint, please go to the Mortgage Help & Support section on our website: www.bathbuildingsociety.co.uk

You should think about whether you should take out insurance to ensure that your mortgage is repaid if you die during the term, an/or to ensure that you can continue to make you monthly payment should your income stop or be reduced, for example, due to sickness or unemployment.

Your home may be repossessed if you do not keep up repayments on your mortgage.

Think carefully before securing other debts against your home.

We're different because you are

Head Office
15 Queen Square,
Bath BA1 2HN.

Telephone
01225 475719

Email
mortgages@bibs.co.uk

Web
www.bathbuildingsociety.co.uk

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

Your home may be repossessed if you do not keep up repayments on your mortgage.

Think carefully before securing other debts against your home.

Bath Investment & Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority, Registration Number 206026. Buy to Let and Holiday Let mortgages are not generally regulated.

Bath Building Society

MC(S): 06/25