

# Terms and conditions



Terms and conditions (England & Wales),  
Deed of mortgage conditions (Scotland)



The Customer Service Team are dedicated to supporting you and are on hand to help with any questions you may have.

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**0330 124 3914**

Select option 2 for Drawdown support and option 4 for any other enquiries. They are available to contact Monday to Friday between 9am and 5pm, excluding bank holidays.

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## 1. Introduction

- 1.1. Royal London Equity Release's Lifetime Mortgage terms and conditions form part of a set of documents that make up your mortgage.
- 1.2. Your Lifetime Mortgage is made up of these Lifetime Mortgage Terms and Conditions, the Offer, the Tariff of Charges, the Mortgage Deed for properties in England and Wales or for properties in Scotland, the Standard Security and Deed of Mortgage Conditions.
- 1.3. You should read these documents carefully and your Legal Adviser should also explain them to you. If you have any questions regarding these documents, please discuss them with your Legal Adviser.
- 1.4. Throughout these documents the following terms are used. In this section we explain the meaning of these terms. These terms start with capital letters, so you can identify them, but we do not use capital letters for frequently used personal terms such as 'you' or 'we'. These terms follow together with the meanings given to them:

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**Additional drawdown** Means an additional Lifetime Mortgage loan payment made under the terms referred to in the 'Additional Features' section of the Offer.

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**Cash facility** Means the facility (if any) for Drawdowns as shown in the 'Benefits' section of the Offer.

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**Cognitive impairment** Means loss of mental ability resulting in loss of orientation, confusion or concentration and memory. Such mental impairment is measured by specific tests to determine memory loss, orientation and judgement.

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**Completion** Means the date we first advance you money under your Lifetime Mortgage.

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**Default event** Means any of the events described in clause 18.2 of these Terms and Conditions.

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**Early Repayment Charge** Means the amount you may have to pay us if you choose to repay all or part of the Outstanding Balance early. How we decide whether we require an Early Repayment Charge, and how we calculate this, is described in the 'What happens if you do not want this mortgage anymore?' section of the Offer.

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**Estimated term** Means the estimated duration of your Lifetime Mortgage as set out in the 'Description of this Mortgage' section of the Offer.

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**Further advance** Means additional borrowing that may be available to you once all of your Cash Facility has been taken.

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**Initial lump sum** Means the element of the Lifetime Mortgage Loan to be taken at Completion as shown in 'Benefits' section of the Offer.

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**Interest Rate** Means the rate of interest set out in the 'Description of this Mortgage' section of your Offer.

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**Lifetime Mortgage** Means these Terms and Conditions, the Offer, the Tariff of Charges, the Mortgage Deed or Standard Security and Deed of Mortgage Conditions and any other document issued by us to you as relating to these Terms and Conditions.

<b>Lifetime Mortgage loan</b>	Means the total amounts advanced under your Lifetime Mortgage.
<b>Long term care</b>	Means that you reasonably require assistance within a nursing home, care home, hospital or other institution because you are no longer able to carry out two or more Personal Care Activities without the assistance of another person, or because you are suffering from Cognitive Impairment.
<b>Mortgage Deed or standard security</b>	Means the document which gives us security over the Property for the Outstanding Balance and which incorporates these Terms and Conditions.
<b>Offer</b>	Means our written Offer(s) to provide you with the Lifetime Mortgage Loan (as amended from time to time), including any subsequent written Offer(s) to provide you with an Additional Drawdown.
<b>Outstanding balance</b>	Means the total of all money you owe to us at any time under your Lifetime Mortgage.

## Personal care activities

Means one or more of the following personal care activities as described by the Association of British Insurers:

<b>Personal care activity</b>	Description
<b>Feeding</b>	Being able to feed oneself food which has been prepared and made available.
<b>Dressing</b>	Being able to put on, take off, secure and unfasten all clothes and, as appropriate, braces, artificial limbs or other surgical appliances.
<b>Transferring</b>	Being able to move from bed to an upright chair or wheelchair and vice versa.
<b>Washing</b>	Being able to wash in a bath or shower (including getting into or out of either) or wash by any other means.

<b>Possessory Title</b>	Means the term generally applied to legal Title of someone who is in adverse possession of a Property.
<b>Power of attorney</b>	Means written authorisation to represent or act on another's behalf in private affairs. In relation to Lifetime Mortgages, the authority to represent or act on another's Property and financial affairs.
<b>Proceeds of sale</b>	Means the price at which the Property is sold, less solicitors' and estate agents fees.
<b>Property</b>	Means your home described within the Offer or such other substituted property as we accept as security for the Outstanding Balance.
<b>Repayment date</b>	Means the date you repay the Outstanding Balance.
<b>Tariff of charges</b>	Means the booklet which we have given you setting out the costs and charges associated with your Lifetime Mortgage which we may update from time to time.
<b>Title</b>	Means a bundle of rights in a piece of Property in which a party may own either a legal interest or equitable interest. The rights in the bundle may be separated and held by different parties.

<b>Term</b>	Means the period from Completion to the Repayment Date.
<b>Terms and conditions</b>	Means the Terms and Conditions set out in this document.
<b>Transferee</b>	Means anyone who is entitled to exercise any of our rights under the Lifetime Mortgage as a result of a transfer or assignment by us.
<b>Unutilised cash facility</b>	Means the amount of the Cash Facility available for Drawdown by you after Drawdown of any/all Advance(s) already made and as specified in the most recent loan agreement.
<b>Valuer</b>	Means any person who provides (or has provided) us with a professional opinion of the value of the Property.
<b>We, Us, Our, we, us, our</b>	Means Royal London Equity Release and any Transferee.
<b>You, Your, you, your</b>	Means the borrower(s) named in the Offer and/or any personal representative(s) appointed who are legally responsible for dealing with your affairs, including executors of your estate.
<b>Your Legal Adviser</b>	Means a solicitor, or barrister, or licensed conveyancer or chartered legal executive acting on your behalf and providing you advice on your Lifetime Mortgage.

## 2. Interpretation

- 2.1. If there are two of you, your obligations under your Lifetime Mortgage are joint and several, so that you will each be fully liable to us for the whole of the outstanding balance and all of the obligations for which you are responsible contained within your Lifetime Mortgage.
- 2.2. In the event of any conflict between the provisions of the Offer and these Terms and Conditions, the Offer will prevail.

## 3. Your duty

- 3.1. Your duties and responsibilities set out in the Lifetime Mortgage continue until the Outstanding Balance is fully repaid.
- 3.2. You must keep to the terms set out in your Lifetime Mortgage.

## 4. Conditions

- 4.1. Before we advance your Lifetime Mortgage Loan, we must receive the following documentation and in each case we must be satisfied with its form and content.
  - 4.1.1. The Mortgage Deed or Standard Security signed by you.
  - 4.1.2. Confirmation from your Legal Adviser that they have fully and clearly explained to you the terms of the Lifetime Mortgage and the situations in which it will become repayable.
  - 4.1.3. Confirmation from our Legal Adviser that you have good and marketable Title (not Possessory Title) to the Property (including, where there are joint borrowers, that the Property is owned by both of you) and that there are no outstanding mortgages, charges or encumbrances over the property or that they will be discharged at Completion and that all our conditions have been met.

4.1.4. Confirmation that the Property is insured in accordance with these Terms and Conditions.

4.1.5. A copy of the Lease Agreement if the Property is Leasehold.

4.2. You will be bound by:

4.2.1. The Mortgage Deed or Standard Security that you have signed.

4.2.2. These Terms and Conditions.

4.2.3. The Offer of your initial Lifetime Mortgage and the offer of any further Lifetime Mortgages we make to you.

4.3. The Mortgage Deed or the Standard Security secures the Outstanding Balance and more particularly:

4.3.1. The Offer of your initial Lifetime Mortgage and the offer of any further Lifetime Mortgages we make to you.

4.3.2. Any interest costs charges and expenses payable under the Offer and these Terms and Conditions.

4.3.3. Any Early Repayment Charge or other sums or fees.

4.3.4. Any other amount which you agree (whether before or after we advance the Initial Lump Sum) is to be secured by the Mortgage Deed or the Standard Security.

4.3.5. All other amounts specified within the Lifetime Mortgage.

4.4. In some instances we may need to apply special conditions to your Lifetime Mortgage and these special conditions will be shown in your Offer. These special conditions may require you to do something, for example carry out essential repairs to the Property as recommended by the Valuer.

- 4.5. We may ask you to satisfy the special conditions before Completion. Otherwise, we will ask you to satisfy the special conditions after Completion and in this instance, you will be given a reasonable period of time to satisfy the conditions.
- 4.6. We may require you to provide documents to confirm that the special conditions have been satisfied and/or we may decide to re-inspect the Property.
- 4.7. Details of all charges are contained in the Tariff of Charges. We will review these charges periodically. We can change them or introduce new charges to reflect any changes in the services we provide or reasonably incurred changes in the costs of providing services. This may include charges for administering mortgage accounts or costs due to any additional requirements on us from changes in legal or regulatory requirements. Any increase in charges will be proportionate to the reason(s) for making it.

## 5. Your Lifetime Mortgage

- 5.1. A Lifetime Mortgage is a type of loan which is usually designed to run for the rest of your life or until you leave the Property permanently to move into Long Term Care.
- 5.2. The benefits of the Lifetime Mortgage are as set out in the Benefits section of the Offer.
- 5.3. We agree to make available to you the Cash Facility. The first Drawdown of the Cash Facility will be the Initial Lump Sum and the Unutilised Cash Facility will be available for draw down by you as Additional Advances subject to the terms of this clause 5.
- 5.4. Drawdown of any Additional Advance will be subject to the criteria We apply to new lending at the time you make a request for Drawdown and to these Conditions. You will be required to enter into an Additional Drawdown Loan Agreement acknowledging these Conditions and the

particular terms applying to that Drawdown, including the amount of the Additional Drawdown, the applicable Interest Rate and the Early Repayment Charge for that Drawdown.

- 5.5. Each Additional Drawdown Loan Agreement will specify what the Unutilised Cash Facility will be after Drawdown of the Additional Drawdown.
- 5.6. We will reduce or remove the Unutilised Cash Facility if:
  - 5.6.1. The total amount of (i) the Amount Owed (including the Initial Advance, any Additional Advance(s), accrued interest and any charges you have incurred) plus (ii) the Unutilised Cash Facility, exceeds the amount we would agree to lend to a new borrower (of equivalent age) in comparable circumstances.
  - 5.6.2. Any of the events of default specified in clause 18 has occurred, or you have failed to maintain the Property in good condition.
  - 5.6.3. You are subject to an undischarged bankruptcy or individual voluntary arrangement (IVA) or have been discharged from bankruptcy or an IVA.
- 5.7. If you own the Property as tenants in common and one of you dies, the remaining one of you may not draw on the Unutilised Cash Facility if you are not the sole beneficiary of the deceased's share of the Property. Where you are the sole beneficiary, before we agree to make any Additional Drawdown(s) from the Unutilised Cash Facility, we may require appropriate documentation satisfactory to us to be provided and perfected (at Your cost and at Our reasonable discretion) to ensure that the Mortgage will secure the Amount Owed including the requested Additional Drawdown(s) and the Unutilised Cash Facility (if any). You are a tenant in common if you each own a share of the Property rather than jointly owning the whole Property.

## 6. Repaying your Lifetime Mortgage

- 6.1. The Outstanding Balance must be repaid immediately if (a) you die (or, if you are borrowing jointly, both of you die or one of you has permanently left the Property because they require Long Term Care and the other one of you dies), (b) you have permanently left the Property because you require Long Term Care (or, if you are borrowing jointly, both of you have permanently left the Property because you require Long Term Care or one of you dies and the surviving one of you has permanently left the Property because they require Long Term Care) or (c) there has been a Default Event.
- 6.2. If you (or both of you or the surviving one of you, if you are borrowing jointly) have permanently left the Property because you need Long Term Care, you must provide a written opinion from a doctor or medical/care professional who is qualified to provide such an opinion acceptable to us (our decision as to who is acceptable being carried out in a reasonable way). This opinion must confirm that due to your physical and/or mental condition you (or both of you, if you are borrowing jointly) are no longer able to live in the Property and you are receiving permanent care away from the Property. If the written opinion is not reasonably satisfactory to us, then payment of the Outstanding Balance will be regarded as early repayment and an Early Repayment Charge will be payable unless (at our absolute discretion) we agree otherwise. No Early Repayment Charges will be payable where the remaining borrower in a joint life pair is redeeming in the first 3 years following the death or entry into Long Term Care of their partner.
- 6.3. The Outstanding Balance including all the interest and charges due to us will usually be repaid from the sale of your Property, although the Outstanding Balance can be repaid from other funds.
- 6.4. When the Outstanding Balance has become repayable (other than because of a Default Event) your personal representatives will have a period of twelve months from the date the event occurs in which to fully repay the Outstanding Balance. If at the time you leave the Property because you need Long Term Care you do not know if it is

permanent, you must keep us informed and the twelve-month period will commence from the date when you know that this position is permanent. If you are away from the Property for more than two months you need our permission. Before giving our permission, if you need Long Term Care, we will require a letter from a medical practitioner confirming that you can reasonably be expected to live independently in future and for how long, in their opinion, you should expect to be absent from the Property. If the Outstanding Balance is to be repaid from the Proceeds of Sale, you or your personal representatives must notify us as soon as possible.

- 6.5. These Terms and Conditions apply to any sale of the Property by you or your personal representatives. If the Property is not sold within twelve months of the Outstanding Balance becoming repayable, we can take possession of the Property and sell it to recover the Outstanding Balance (see clause 18 for Default Events).
- 6.6. You can choose to repay the Outstanding Balance at any time. If you repay the loan early, we may apply an Early Repayment Charge. The Early Repayment Charge will vary for different loans. The Early Repayment Charge applying for each loan is set out in the Offer for that loan.
- 6.7. If you choose to make partial capital repayments, you can do so at any time. Up to 10% of the initial loan amount advanced will not incur an Early Repayment Charge within any twelve month period from the anniversary of the loan start date. You can pay a minimum of £50.00 and a maximum of 12 payments per annum.
- 6.8. If you wish to know the amount of the Outstanding Balance, you can request a statement from us to which our Tariff of Charges may include a cost. We shall take care in producing a statement of the Outstanding Balance and this shall be evidence enough of the amount of the Outstanding Balance. You will not be entitled to any additional evidence of the calculation of the Outstanding Balance except in the case of a clear error.



## 7. Sale of your property

- 7.1. You may sell the Property at any time but if you do not transfer your Lifetime Mortgage to another Property, you must repay the Outstanding Balance including any Early Repayment Charge to us to release the Mortgage Deed or Standard Security over the Property.
- 7.2. We will waive the Early Repayment Charge if the Lifetime Mortgage cannot be ported to another Property as the new Property or the applicants no longer fit our lending criteria, assuming your Lifetime Mortgage has been open for a period of at least five years.
- 7.3. You or your personal representatives must give us prior notice of the intention to sell the Property and provide us with such information as we may reasonably require, including price, sale particulars, costs of sale and details of your Legal Adviser.
- 7.4. To ensure that the Property is sold at the best price reasonably obtainable we may ask our Valuer to value the Property. If we do, the Valuer's fee will be added to the Outstanding Balance.
- 7.5. If it appears that the Proceed of Sale would not be enough to repay the Outstanding Balance, we are entitled to make the Property more marketable. The reasonable amount we may spend on this will be added to the Outstanding Balance.
- 7.6. Where you or your personal representatives propose to market the Property at a price which is less than the Outstanding Balance, you must notify us in writing and we will agree a sale price with you or your personal representatives. We may review this price every six months and may ask our Valuer to obtain a new valuation. If we do, the Valuer's fee will be added to the Outstanding Balance.
- 7.7. If we are unable to agree a sale price, the matter will be referred to a Valuer who is acceptable to you and us. If the parties cannot agree a Valuer within fourteen days, both parties agree to accept the

appointment suggested by the President of the Royal Institute of Chartered Surveyors.

- 7.8. The Valuer will be acting as an expert and his decision will be final and binding and will determine the asking price. Any sale must be at arms-length on the best terms reasonably available.
- 7.9. If your Outstanding Balance is being repaid after becoming due under (a) or (b) of clause 6.1 and the Outstanding Balance is more than the Proceeds of Sale and you have met all of the conditions of these Terms and Conditions, you or your personal representatives will not have to pay us the shortfall.

## 8. Interest

- 8.1. The Interest Rate charged will be specified in the Offer.
- 8.2. Any Additional Drawdown and Further Advances will have Interest Rates as stated in the relevant Offer. This rate could be higher or lower than the rate applied to previous loans.
- 8.3. Interest accrues daily on the Outstanding Balance (and is capitalised monthly) at the Interest Rate both before and after any court judgment we may obtain. Interest will continue to accrue and be applied after the Outstanding Balance has become repayable.
- 8.4. We will charge interest on any money we lend you from the date on which we release the funds.
- 8.5. We will charge you interest on any costs, charges or expenses that we incur. They will be added to your Outstanding Balance and interest will accrue until the date you repay them.
- 8.6. We may debit any further loan and any costs, charges and expenses to the same loan account as the initial loan or to a different account or sub account.

- 8.7. If we take possession of your Property interest will continue to accrue until the Property has been sold and the Outstanding Balance has been received in full by us (except in circumstances detailed in clause 7.9).

## **9. Insuring the property**

- 9.1. You will continue to be responsible for insuring the Property, but we want to make sure the cover is sufficient and our interest as a mortgage lender is protected, should an insurance claim be necessary.
- 9.2. You must keep your Property fully insured against loss or damage with an insurance company we approve of. Sometimes you will not be able to insure the Property yourself because someone else has the legal right to insure it. An example of that would be if the Property is Leasehold and the Lease requires your freeholder or management company to insure it (or in Scotland where the Property is a flat and the factor or property agent will deal with the insurance on a common basis). In that case you must do all you reasonably can to make sure that the person who is responsible to ensure the Property insures it.
- 9.3. The insurance policy must:
- 9.3.1. Be with a reputable insurer.
- 9.3.2. Cover at least the rebuild cost (or reinstatement value) of the Property that is shown on the valuation report.
- 9.3.3. Cover all general perils like fire, storm, subsidence, flood and theft.
- 9.3.4. If you are purchasing the Property, be on risk immediately before exchange of contracts or the date on which the funds are transferred to our Legal Adviser, whichever is the earliest.
- 9.3.5. If you are re-mortgaging the Property, be on risk at least two working days before Completion of your Lifetime Mortgage.

- 9.4. Our interest as a mortgage lender must be noted on the insurance policy. If we have a valid reason, for example a change in insurers' practice, we may ask for cover as joint insured or co-insured on a composite basis.
- 9.5. You must not do anything that will invalidate the insurance, for example giving false information to your insurer or leaving the Property unoccupied for more than the number of days specified in the insurance policy.
- 9.6. You must pay the insurance premiums on time. You must show us your insurance policy if we wish to see it and produce receipts or other evidence that it is on risk and the premiums are up to date.
- 9.7. If we believe that you have not paid the buildings insurance premium, or the cover has been cancelled, we may ask you to confirm the new insurance arrangements.
- 9.8. If you fail to provide a valid insurance policy when asked or we reasonably believe that the Property is no longer insured, or the insurance is not suitable, then we reserve the right (but are not obliged) to insure the Property. If we insure the Property, we will only insure our interest and not yours. You need to pay any costs that we reasonably incur insuring the Property. If you fail to pay those costs when we ask, we will add them to the Outstanding Balance and interest will apply to these costs.

## **10. Insurance claims**

- 10.1. You must tell us as soon as possible if there is any significant loss or damage to the Property.
- 10.2. You must take reasonable steps to make sure that nothing happens which may harm your or our ability to make a claim under the insurance.

- 10.3. If it is necessary to make a claim on your insurance, you must tell the insurance company as soon as possible and assist the insurance company to resolve the claim. We may also make a claim on your insurance and negotiate and settle any claims on your behalf.
- 10.4. You must ensure that your insurance company pays all money to us, but if the money is received by you, it will be held in trust for us. The insurance money must be used to make good any loss or damage it has been paid for, or if both we and you agree, it will be used to reduce or repay the Outstanding Balance.

## **11. Maintaining the property**

- 11.1. You will continue to be responsible for the ongoing maintenance of your Property. We will be reasonable and not expect you to maintain the Property to a standard that exceeds the condition at the time we valued the Property, unless your Offer was conditional on essential repairs being carried out.
- 11.2. During your Lifetime Mortgage you must maintain the Property in good condition and repair or replace fixtures and fittings when necessary.
- 11.3. You must carry out any essential repairs required by us as a condition of your Offer by the date set by us. Please see the special conditions in your Offer.
- 11.4. We may require you to provide documents to confirm that maintenance and repairs have been carried out to an acceptable standard by an appropriate, qualified contractor.
- 11.5. We may decide to inspect the Property but will tell you at least fourteen days before we intend to do this unless there is an emergency at the Property.

- 11.6. If the Property is not being maintained, we may ask you to carry out the repairs at your own expense. If the repairs are not made, we may arrange for the repairs to be carried out on your behalf and you will need to pay any reasonable costs that we incur. If you fail to pay those costs when we ask, we will add them to the Outstanding Balance and interest will apply to these costs.

## **12. Making changes to the property**

- 12.1. You must tell us if you wish to structurally alter, extend or convert the Property. We will not unreasonably prevent you from making changes to your Property, but you must provide us with evidence that any changes you intend to make (a) do not adversely affect the value of the Property, (b) meet all the relevant laws and (c) are carried out to an acceptable standard including meeting planning permission and building standards. You should not commence any such changes without our written permission. You will be responsible for paying for the reasonable cost of preparing any plans or reports required by us and all the expenses, including ours, even if we do not give permission.
- 12.2. All building works must be carried out to acceptable standards by appropriate, qualified contractors. We may instruct an independent, qualified Valuer to inspect the completed works and you will need to pay a non-refundable valuation fee before the valuation of the Property.

## **13. The property must be your home**

- 13.1. You must live in the Property and use it as your main residence for the duration of your Lifetime Mortgage. You must tell us as soon as possible if you move out of the Property.
- 13.2. You must only use the Property as a private residence and you must not carry out any business or trade from the Property without our permission.

- 13.3. You must not leave the Property for a continuous period of two months or more without our permission.
- 13.4. You must not create any lease or tenancy agreement on the Property or any part of the Property without our permission.
- 13.5. Other occupiers, for example relatives, friends or Carers will not have the right to continue to live in the Property when you permanently leave the Property. It is important that they understand this, and we will ask them to sign an occupier consent form with the help of a Legal Adviser who is independent to your Legal Adviser.
- 13.6. Any person who is not a borrower and is living in the Property at the time of Completion of your Lifetime Mortgage may be required to sign an occupier consent form with the help of a Legal Adviser to continue living in the Property.
- 13.7. You must tell us if you want someone else to move into the Property to live with you, for example a family member, a new partner or a Carer as we may require them to sign an occupier consent form with the help of a Legal Adviser who is independent to Your Legal Adviser.
- 13.8. Other occupiers will be responsible for paying for legal advice they receive in relation to the occupier consent form.
- 13.9. Other occupiers will not have the right to live in the Property after you (or both of you, if you are borrowing jointly) have died or have permanently left the Property.

## **14. Other secured borrowing**

- 14.1. This Lifetime Mortgage is secured on your Property and you will need our written permission if you want to take secured borrowing from another lender or create any other charge on the Property. Other lenders may not be willing to lend to you because we have a first charge on the Property and the Outstanding Balance will increase due to the addition of interest.

- 14.2. If another charge is registered on your Property, you will not be able to take any further Drawdowns until the charge is removed.
- 14.3. You agree that we may apply to the Land Registry for a restriction to be registered on the Title to the Property. This will mean that you must obtain our permission before further legal charges can be registered over the Property.

## **15. Obligations to other parties**

- 15.1. You must pay in full and on time any service charge due on the Property.
- 15.2. You must pay in full and on time any ground rent due on the Property.
- 15.3. You must comply in full and on time with any lease obligation and other obligations affecting the Title to the Property.

## **16. Dealing with us**

- 16.1. You must co-operate with us, or anyone appointed by us, if it is necessary to exercise any of the powers given to us by these Terms and Conditions. This includes you signing any appropriate documents or deeds relating to the Property.
- 16.2. You must ensure that any information you give us is accurate and you do not withhold information from us that we would reasonably expect to be given under these Terms and Conditions.
- 16.3. You must provide any documentation that we may reasonably require to support identities and to evidence the accuracy of an event or transaction.

## 17. Your obligations

- 17.1. If you fail to do something you agreed to do, for example insuring or maintaining the Property, or if you do something you are not allowed to do, for example renting out the Property without our prior permission, you will breach these Terms and Conditions. This section explains what a breach is and what could happen if you breach the Terms and Conditions.
- 17.2. If you fail to comply with these Terms and Conditions, then we will treat this as a breach.
- 17.3. If a breach occurs, we will ask you to act to remedy the breach. We will allow you reasonable time to do so. We will consider the nature of the breach, how long it will reasonably take you to remedy the breach and any risk of damage to the Property.
- 17.4. If you do not remedy the breach, we reserve the right but are not obliged to act to remedy the breach on your behalf. For example, this may require us to enter the Property and carry out repairs.
- 17.5. If we act to remedy the breach on your behalf, you will need to pay any costs that we reasonably incur. If you fail to pay those costs when we ask, we will add them to the Outstanding Balance and interest will apply to these costs.

## 18. Default event

- 18.1. This section explains the specific circumstances when a Default Event can occur.
- 18.2. A Default Event can occur, if any of these events happen:
  - 18.2.1. If it comes to our attention that any information which you have provided to us when applying for the Lifetime Mortgage is

inaccurate or untrue in any material way.

- 18.2.2. If the Outstanding Balance has not been repaid within twelve months of the date it became payable under the Terms and Conditions of the mortgage.
- 18.2.3. If you break any of your material obligations to us under our Terms and Conditions.
- 18.2.4. If you leave the Property unattended for a continuous period of two months or more without our agreement.
- 18.2.5. If you are sequestered or become bankrupt or if you enter into a composition or other arrangement with your creditors.
- 18.2.6. If a Compulsory Purchase Order is made for the Property.
- 18.2.7. If Service/Ground Rent charges are not paid.
- 18.3. You must tell us in writing immediately, if a Default Event occurs.
- 18.4. If a Default Event occurs, we have the following rights:
  - 18.4.1. The Outstanding Balance will be due immediately for repayment.
  - 18.4.2. The Unutilised Cash Facility will be immediately cancelled.
  - 18.4.3. The outstanding charges may be added to the account in the form of a Drawdown or a Further Advance.
  - 18.4.4. We may take legal action to take possession of the Property.
  - 18.4.5. We may appoint a property receiver.

18.4.6. We may exercise our power to sell the Property and use the Proceeds of Sale to repay the Outstanding Balance or to partially repay the Outstanding Balance, if the Proceeds of Sale are insufficient.

18.5. Should it be necessary for us to enforce the Terms and Conditions or to attempt to recover all or any part of the Outstanding Balance from you then you will be responsible for paying all our reasonable and proper costs including the cost of any legal proceedings. Any such costs incurred by us can be added to the Outstanding Balance and interest will accrue.

## **19. Appointment of a property receiver**

(does not apply for properties in Scotland)

19.1. As an alternative to taking possession, we can appoint a property receiver. The receiver will not act for us but will act for you and has the power to sell the Property on your behalf.

19.2. If a Default Event occurs, we have the right to appoint a receiver. We can do this without giving you any prior notice. We can also remove the receiver and choose whether we need to appoint another one.

19.3. Any receiver we appoint will be regarded as your agent and you will be responsible for the receiver's actions and omissions. The receiver can do anything in relation to the Property as if the receiver were absolutely entitled to it.

19.4. Appointment of a receiver will not be regarded as us being a mortgage lender in possession.

The appointed receiver can decide to:

19.4.1. Enter the Property and take possession of it.

19.4.2. Ensure the Property is in a good state of condition and repair and where necessary improve or replace any part of the Property.

19.4.3. Acquire any further Property assets or rights.

19.4.4. Sell or transfer all or part of the Property.

19.4.5. Deal with all leases on your behalf.

19.4.6. Exercise all powers given to you by any statute, deed or contract in respect to any part of the Property and make any arrangements with you in respect of your rights.

19.4.7. Appoint suitable contractors for any work that is required in relation to your Property.

19.4.8. Borrow money against the Property from us or anyone else.

19.5. We will agree the fee for any receiver that we appoint. The receiver may take their fees and any costs they incur out of any money given to them. Alternatively, we may pay them on your behalf. You need to pay any costs that we incur. If you fail to pay those costs when we ask, we will add them to the Outstanding Balance and interest will apply to these costs.

19.6. If a Default Event has occurred and we need to enforce the Terms and Conditions, then we may exercise any power that any receiver appointed by us would be able to exercise (whether we have appointed any such receiver).

19.7. If we or a receiver take possession of your Property we are not liable for the Lifetime Mortgage or any defaults on it or any loss that might be made on the sale of the Property.

## 20. Powers to sell the property

- 20.1. We have the power of sale and other powers from section 101 of the Law of Property Act 1925 over your Property as part of this Lifetime Mortgage. We can exercise the power of sale where it arises under the Terms and Conditions.
- 20.2. Section 103 of the Law of Property Act 1925 restricts our powers of sale and will therefore not apply to this Lifetime Mortgage. For example, we are not required to give you three months' notice before we sell the Property.
- 20.3. If we or the receiver have not taken possession of the Property and must sell the Property, we will not be a mortgage lender in possession. This means that you will still be responsible for the Property, for example insuring the Property.
- 20.4. If we or the receiver must sell the Property, we or the receiver may remove any personal belongings that you leave behind. We may store, sell or dispose of them and any sale proceeds of such belongings will belong to you. You will need to pay any reasonable and proper costs. If you fail to pay those costs when we ask, we will add them to the Outstanding Balance and interest will accrue on these costs.
- 20.5. If the Property is sold by us or by a receiver appointed by us, it can be sold as a whole or in parts. We may sell by auction or by private sale and the money will be payable to us by a lump sum, in instalments or a partial payment and the creation of a new mortgage.
- 20.6. If we or the receiver sell the Property we can make any conditions we think are necessary and can vary or even withdraw any contract for sale.
- 20.7. If we or the receiver sell the Property and the Sale Proceeds of the Property exceed the Outstanding Balance, any surplus will be given to you for the benefit of you or your beneficiaries or any other person entitled to them in law.

## 21. General conditions

- 21.1. This section includes other general conditions that apply to your Lifetime Mortgage.
- 21.2. Vulnerable customers - a vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to detriment. If we reasonably believe that you have become a vulnerable customer, we can decide not to act in accordance with your instructions and if necessary, suspend any additional borrowing until Your Legal Adviser can confirm the instructions you have provided.
- 21.3. Power of Attorney - by signing the Mortgage Deed or Standard Security you give us or someone nominated by us and any receiver appointed by us separate Power of Attorney to act for you irrevocably and by way of security and to sign any deed or document on your behalf to do anything these Terms and Conditions required of you.
- 21.4. Joint and several liability - if you have borrowed on your own you are fully responsible to pay the Outstanding Balance and to comply with these Terms and Conditions. If you have borrowed jointly, the Terms and Conditions apply to both of you together and each of you separately. This means that each of you can individually be held fully responsible for complying with the Terms and Conditions and paying the Outstanding Balance.
- 21.5. Rights of third parties - these Terms and Conditions can only be enforced by you, your successors, your personal representatives and by us (including any Transferee). Your personal representatives will be bound by these Terms and Conditions after your death.
- 21.6. Using and protecting our rights - if you need our permission for doing something under these Terms and Conditions, you will need our permission before going ahead and should ask us for permission as early as possible.

If you need our permission under these Terms and Conditions, we will not unreasonably refuse or delay that permission. For example, it would be reasonable for us to refuse permission for something we think:

21.6.1. Makes it less likely you can pay us the Outstanding Balance at any time.

21.6.2. Reduces the value of the Property, or

21.6.3. Has a significant negative impact on us in relation to your Lifetime Mortgage.

We will act as a responsible and prudent mortgage lender exercising their powers in a reasonable fashion when we

21.6.4. Have the power to act.

21.6.5. Require you to do something or not do something.

21.6.6. Require something to be acceptable to us and to our satisfaction, or

21.6.7. Require a document in a standard form.

Our rights under the Terms and Conditions will not be lost or limited:

27.6.8. By using them early.

27.6.9. By any failure to use them.

27.6.10. By any delay in using them.

27.6.11. By using them in part only, or

27.6.12. By the fact that we have already indicated to you that you are in default of your Lifetime Mortgage or we have taken possession of the Property.

21.7. Payments - whenever you make a payment to us it should always be made during normal banking hours, in sterling and come from you to us directly. If a date for paying us falls on a non-working day, then the payment should be made on the next working day.

21.8. Transfer of your Lifetime Mortgage - we may transfer or assign all or part of our rights under your Lifetime Mortgage to another person or company at any time.

If we do this the person or company who takes over all or part of your Lifetime Mortgage will have the same rights as we have. Your rights and obligations will not be affected by this and these Terms and Conditions will not change.

We may delegate all or part of our rights and obligations under these Terms and Conditions to another person or company at any time.

We may pass on details about your Lifetime Mortgage to another person or company in connection with the transfer or proposed transfer of your Lifetime Mortgage.

You may not transfer or assign all or part of your rights or obligations under Lifetime Mortgage to anyone else.

If any of the Terms and Conditions are not consistent with anything in the Offer, the terms of the Offer will apply.

21.9. The law that applies to your Lifetime Mortgage - your Lifetime Mortgage is governed by the laws set out below. Any disputes that arise out of or in connection with your Lifetime Mortgage can be settled in a court of law as set out below.

If your Property is in England or Wales, your Lifetime Mortgage is governed by the laws of England and Wales and any court in England and Wales shall have jurisdiction.



If your Property is in Scotland, your Lifetime Mortgage is governed by the laws of Scotland and any court in Scotland shall have jurisdiction.

If any of the Terms and Conditions become invalid, illegal or unenforceable, the remaining Terms and Conditions will not be affected in any way.

If any of the Terms and Conditions are not consistent with anything in the Offer, the terms of the Offer will apply.

21.10. Changes to the Terms and Conditions - we will only make changes to these Terms and Conditions to respond proportionately to events outside our control. We may only make changes to the Terms and Conditions in the following circumstances:

21.10.1. Changes in any applicable UK or European legislation, including those about taxation.

21.10.2. By order of a UK court, regulator or competent authority, or

21.10.3. Changes in any applicable regulation.

21.11. Giving notice - we will write to you to give you any notices needed under these Terms and Conditions. Any letters we send will be sent to you at the Property, unless you have given us another address to use. You must also write to us to give us any notices needed under these Terms and Conditions. Any letters you send must be sent to us at the address in the 'Contact details' section of your Mortgage Offer, unless we have given you another address to use.

21.12. Variations for Properties in Scotland - due to the different legal practices, if your Property is in Scotland then this section will apply to you.

The Terms and Conditions apply if the Property is in Scotland, but with the following variations:

21.12.1. References to the appointment of a receiver do not apply.

21.12.2. References to the Law of Property Act 1925 do not apply.


21.12.3. References to 'Mortgage Deed' will mean 'Standard Security'.

21.12.4. Within the Terms and Conditions, any other word, document or practice under English law will mean:

- a. Where such word, document or practice has an equivalent under Scottish law, that equivalent word, document or practice.
- b. Where such word, document or practice has no equivalent under Scottish law then the nearest word, document or practice as would reasonably apply to the equivalent circumstances in Scotland.

21.12.5. Our enforcement powers arise under the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended.

21.12.6. For the purposes of advances to be made by us secured by standard securities over heritable properties in Scotland, the standard conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended, shall apply subject to the variations set out in these Terms and Conditions.

A group of hikers is shown on a dirt trail through a lush, green, hilly landscape. In the foreground, a woman with blonde hair, wearing a dark jacket and light blue jeans, is smiling broadly and holding a camera. Behind her, another woman in a red jacket is also smiling. Further back, several other hikers are visible, some using walking sticks. The background shows rolling green hills under a clear sky.

The Customer Service Team are dedicated to supporting you and are on hand to help with any questions you may have.

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**0330 124 3914**

Select option 2 for Drawdown support and option 4 for any other enquiries. They are available to contact Monday to Friday between 9am and 5pm, excluding bank holidays.



**We're happy to provide your documents in a different format, such as Braille and large print, just ask us when you get in touch.**

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