

Buy to Let

Mortgage and Loan Terms & Conditions 2019 (Scotland)



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Vida Homeloans: Buy to Let Mortgage and Loan Terms and Conditions (Scotland)

This booklet contains the terms and conditions which apply to your Loan with Vida Bank Limited trading as Vida Homeloans. **Please read this booklet and the accompanying documents carefully and make sure you understand them before taking out a mortgage with Vida Homeloans, as your property may be repossessed if you do not keep up repayments on your mortgage. If you have any questions about your mortgage and how it operates including about your obligations please speak to your solicitor.**

This booklet is split into three parts:

Part 1 (Loan Terms) This, along with your Offer, sets out the terms applicable to the money that we have lent to you, including how it will be repaid, how we will charge you interest, when you may have to pay our charges and how and when we can change interest rates and charges.

Part 2 (Mortgage Terms) This sets out the terms applicable to the security we have taken over your Property, including your obligations in relation to looking after the Property and what we or any receiver may do with the Property if you do not make the payments due and keep to your other obligations under these Terms and your Offer. Your Property will be charged to us by means of a standard security in accordance with the provisions of the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended by the Redemption of Standard Securities (Scotland) Act 1971. Schedule 3 to the 1970 Act sets out various Standard Conditions which regulate security over heritable property, but which may be varied and extended. This booklet, together with the standard security itself, sets out and, along with your Offer, creates variations to the Standard Conditions.

Part 3 (General Terms) This sets out some general terms applicable to the relationship between you and us. Below is a summary of some of the key terms in this booklet. It is a summary only.

Term	Summary
Monthly payments	<p>It is important that you pay to us the monthly payments set out in your Offer (or any changed monthly payments which apply under these Terms) on time.</p> <p>If your Loan is made on the 'repayment' basis, your monthly payments will consist of repayments of Capital and interest.</p> <p>If your Loan is made on the 'interest only' basis, your monthly payments will only consist of interest and you will still have to repay all of the Capital at the end of the term.</p> <p>If your Loan is made partly on the 'repayment' basis and partly on the 'interest only' basis, your monthly payments will consist of combined payments of Capital and interest in relation to the part of the Loan made on the 'repayment' basis and payments of interest only in relation to the part of the Loan made on the 'interest only' basis. You will still have to repay all of the Capital representing the part of the Loan made on the 'interest only' basis at the end of the term.</p> <p>If all or part of your Loan is made on the 'interest only' basis, it is very important that you make arrangements to repay the amount of Capital (or so much of it as represents the part of the Loan made on the 'interest only' basis) at the end of the term and regularly check to ensure that you will be in a position to do so. If you do not repay the Capital at the end of the term, we may take proceedings against you which could result in us repossessing and selling the Property.</p>

More than one borrower

If you are borrowing with someone else (including where you are borrowing jointly as partners in a Partnership) each of you together and each of you individually are liable for the full amount owing under the Loan. This means that we can pursue the full amount owing against each of you individually.

Interest

We will charge you interest on the amount that you have borrowed at the Interest Rate. The Interest Rate may be a fixed rate, a tracker rate or a variable rate.

Unless your Offer states that your Interest Rate is fixed or tracks an Externally Set Interest Rate (such as Bank of England Base Rate or LIBOR), we can vary the Interest Rate for any of the reasons set out in Term 4.5 of the Loan Terms. The overall cost of your mortgage will increase if we increase the Interest Rate and we will normally increase your monthly payments to recover the extra interest.

If your Offer states that your Interest Rate will track an Externally Set Interest Rate, the Interest Rate you pay will vary in line with changes in the external rate. We will review the Externally Set Interest Rate quarterly and apply any increase or decrease in the applicable Externally Set Interest Rate to your mortgage with effect from the first day of the following month. If the Externally Set Interest Rate increases, the overall cost of your mortgage will increase and we will normally increase your monthly payments to recover the extra interest.

It is important that you can afford to make your monthly payments if your Interest Rate increases.

Early repayment

You can repay your Loan in full or in part at any time. You may have to pay an early repayment charge and other charges if you repay some or all of your Loan before the end of the term, (otherwise than by making the monthly payments due where your Loan is made on the 'repayment' basis). The details of these charges are set out in your Offer.

Flexible Features

Your Loan may include a number of flexible features. Please refer to your Offer for details of which flexible features apply.

Immediate repayment

In certain circumstances we can ask you to repay the Outstanding Balance immediately (for example, if you fail to pay an amount equal to at least two monthly payments due on the Loan or if you commit a material breach of one of your other obligations under the Mortgage Documents). The full set of circumstances in which we may do this is set out in Term 5.1 of the Loan Terms.

Please make sure that you understand the circumstances where we may ask you to repay your Outstanding Balance immediately because, if we do this and the money is not paid, we could take further action against you including, if necessary, asking the court to make an order allowing us to repossess and sell your Property and/or appointing a receiver to collect rent, manage the Property and/or sell the Property.

Charges	<p>We will charge you if you ask us to provide services under the mortgage, or if we incur costs because you fail to comply with your obligations under the Mortgage Documents.</p> <p>Our current list of standard charges (our Tariff) is provided to you with these Terms and is available on our website at www.vidahomeloans.co.uk. We can change these charges and introduce new charges at any time. The reasons why we may do this are set out in Term 7 of the Loan Terms.</p>
Property obligations	<p>Your Loan will be secured on the Property described in your Offer and if you are a company, by security over all your assets.</p> <p>It is important that the Property is kept in a good state of repair and condition. Term 10.1 of the Mortgage Terms sets out your obligations in relation to maintaining the Property, such as completing building work. You must also obtain our permission before you carry out certain actions in relation to the Property, such as altering or extending it.</p> <p>You must insure against the usual risks to a property (for example, fire and flood) and for an amount that is sufficient to fully re-instate the Property if it is destroyed or damaged. If you fail to insure the Property we may do so and where we do this you will be responsible for repaying the premiums to us. (Special terms apply where the Property is leasehold and someone else, such as a landlord, is responsible for insuring it: see Term 12.4 of the Mortgage Terms.)</p>
Action we may take	<p>We can take certain action in relation to the Property if you fail to meet your obligations under the Mortgage Documents. These actions are set out in Term 15 of your Mortgage Terms. They include repossessing your Property and selling it.</p>
Transferring the loan and mortgage	<p>We may transfer our interest in the mortgage and Outstanding Balance to another person in accordance with Term 19 of the General Terms.</p>

Definitions and Interpretation

A. Certain words used in the booklet have a special meaning. These are set out below:

Arrears means the total of any monthly payments which at any time remain unpaid after the date on which they fell due for payment.

Bank of England Base Rate means the rate decided by the appropriate committee of the Bank of England (or any successor authority) from time to time as being the Bank of England's base rate.

Calculation Balance means the balance we use to calculate the monthly payment. The Calculation Balance for each Loan is equal to the Loan Balance minus any Arrears you owe in respect of that Loan.

Capital means any money on which we can charge interest under these Terms, that is: (i) any part of a Loan which you have not repaid; (ii) any charges which we add to your Loan Balance under Term 6.4 of the Loan Terms; and (iii) any interest (including interest on any Arrears) which you have not paid by the end of the calendar month in which it becomes due.

Change of Control means any person or group of persons acting in concert gains direct or indirect control of you (if you are a company) after the date of the mortgage.

Corporate Body means if you are a company or limited liability partnership.

Debenture means the legal document with the heading (in the case of a company incorporated in England and Wales) "Debenture" and/or (in the case of a company incorporated in Scotland) "Bond & Floating Charge" executed by you or on your behalf (if you are a company). This gives us (in the case of a company incorporated in England and Wales) fixed and floating charges and (in the case of a company incorporated in Scotland) a floating charge only over the assets of the company.

Default means an Event of Default or any event or circumstance specified in Term 5.1 which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Mortgage Documents or any combination of any of the foregoing) be an Event of Default.

Event of Default means any event or circumstance specified in Term 5.1.

Externally Set Interest Rate means an externally set interest rate such as the Bank of England Base Rate, LIBOR, SONIA or such other alternative reference rate.

GAAP means generally accepted accounting principles in England and Wales.

General Terms means the terms set out in Part 3.

Guarantee means any guarantee and indemnity granted in our favour by a Guarantor.

Guarantor means any person who issues a Guarantee or indemnity or otherwise gives assurance to us in respect of your liabilities to us under a Loan or mortgage and includes any person designated as such by both you and us in writing.

Interest Rate means the rate of interest shown in your Offer or, if we change it in accordance with these Terms, the changed rate of interest.

LIBOR means, in relation to any Loan:

- (a) prior to the LIBOR Replacement Date, the London Interbank Offered Rate, which is based on the average of the sterling interest rates at which leading banks could borrow money from each other over a 3-month period;
- (b) on and from the LIBOR Replacement Date, the LIBOR Replacement Rate, so that on and from the LIBOR Replacement Date references to LIBOR in the Mortgage Documents shall be read as references to the LIBOR Replacement Rate.

As well as referencing LIBOR directly when setting the interest rate for our tracker rate loans, until 31 December 2021, we also give consideration to LIBOR when setting the variable interest rates we charge to our mortgage borrowers. From 1 January 2022, we will only give consideration to other Externally Set Interest Rates when setting these variable rates.

LIBOR Replacement Date means the earlier of:

- (a) 1 January 2022; and
- (b) a date we specify by written notice to you.

LIBOR Replacement Rate means the sum of the Bank of England Base Rate plus the Rate Adjustment.

Loan means any individual amount of money we have lent to you or may lend to you on the security of the Property, as set out in an Offer.

Loan Balance means all the money you owe us in respect of a Loan from time to time, including any Arrears unpaid interest or charges.

Loan Terms means the terms set out in Part 1.

Material Adverse Effect means in our reasonable opinion a material adverse effect on:

- your business, operations, assets, condition or prospects;
- your ability to perform your material obligations under the Loan and mortgage set out in the Mortgage Documents or any other agreement between you and us; or
- the validity or enforceability of, or the effectiveness or ranking of any encumbrance granted or purported to be granted pursuant to a Mortgage Deed or a Debenture or our rights or remedies under the Mortgage Documents or any other agreement between you and us.

Mortgage Deed means the legal document with the heading "Mortgage Deed" executed by or on behalf of each of you. This gives us a standard security over the Property in return for our lending money to you.

Mortgage Documents means all the documents detailing the Loan, mortgage, security granted to us and associated terms and charges being:

- (a) each Offer;
- (b) these Terms;
- (c) each Mortgage Deed;
- (d) the Tariff;
- (e) each Debenture (if applicable); and
- (f) each Guarantee (if applicable).

Mortgage Terms means the terms set out in Part 2

Offer means any written offer of a Loan sent to you which results in a Loan being made to you.

Outstanding Balance means the whole amount you owe us from time to time under these Terms and each Offer (this will be the same as the Loan Balance or, if we have made two or more Loans to you, the total of each of the Loan Balances for the time being outstanding).

our, us, we and the **Lender** refer to Vida Bank Limited trading as Vida Homeloans and includes our successors in title to the mortgage and anyone to which we transfer or assign the Loan and/or mortgage to in accordance with the Terms.

Partnership means if you are a partnership, the Partnership subsisting between you as at the date of an Offer.

Property means the property which is security for a Loan and is described in your Offer and where appropriate includes all or any part of that Property.

Rate Adjustment means a fixed percentage rate that is added to the Bank of England Base Rate to calculate the LIBOR Replacement Rate. The Rate Adjustment is calculated as the average (median) difference between the Bank of England Base Rate and LIBOR over a five year period that we set (and which ends at least three months prior to the LIBOR Replacement Date). The Rate Adjustment will take effect on the LIBOR Replacement Date and will be fixed for the remaining term of your Loan. If the LIBOR Replacement Rate will be used to calculate the Interest Rate applied to your Loan, we will specify the Rate Adjustment that will be applied to your Loan by written notice to you before the LIBOR Replacement Date

Receiver means any one or more receivers, administrative receivers, liquidators and/or managers appointed by us in respect of you or over all or any of your assets

SONIA means the Sterling Overnight Index Average, a widely used interest rate benchmark administered by the Bank of England.

Tariff means our Tariff of Mortgage Charges leaflet. The Tariff sets out the current amount of the standardised charges which we may make under Term 6 of the Loan Terms. We may make changes to the charges set out in the Tariff and apply new charges. Details of how and when we will do this are set out in Term 7 of the Loan Terms. You can obtain the latest version of our Tariff on our website at www.vidahomeloans.co.uk.

Terms means all the terms and conditions set out in this booklet (as amended, restated, varied and/or, supplemented from time to time) including the Loan Terms, General Terms and Mortgage Terms.

Use of Information Statement means the statement provided to you by your broker prior to commencing your mortgage application.

Valuation Report means in respect of the Property a report and valuation of that Property prepared by a valuer, addressed to us and stating the value of the Property.

you and **your** refer to:

- (a) the Corporate Body named as the borrower in an Offer
- (b) the individual named as the borrower in an Offer or
- (c) the individuals named as the borrower in an Offer in their capacity as partners in the Partnership and the Partnership,

and includes the personal representatives of any such person, anyone who takes over the legal rights and duties of any such individual, Corporate Body or Partnership and if there is more than one person, all such persons together and each such person separately.

- B.** If at any time more than one Loan is owing from you under the mortgage, Terms 1 to 4 and Term 8 apply to each Loan separately.

PART 1 – LOAN TERMS

1 Payments

- 1.1 By the end of the term set out in your Offer (or any changed term which is later agreed between you and us in writing), you must repay the Loan with interest together with any other money which forms part of the Loan Balance (for example, any Arrears or unpaid charges included in the Loan Balance).
- 1.2 You must make the monthly payments set out in your Offer, as varied from time to time under Term 1.11, until the Calculation Balance is repaid in full. These payments will start in the month after the Loan is advanced to you and will be due on the day of the month which corresponds to the date the Loan was made, except that, if the Loan was made on the 29th, 30th or 31st of the month, your monthly payment will be due on the 28th of the month. After the Loan has been made, you may ask us to agree to change your payment day to a different day of the month, not being later than the 28th of the month.
- 1.3 Your monthly payments must be made by direct debit from a UK based bank account and in pounds sterling.
- 1.4 Not more than five days after the day on which we make the Loan, we will write to tell you the interest which is payable on the Loan for the month in which it is made. You may pay us this interest at any time before your first monthly payment is due. If you do not do so, we will collect the interest by direct debit together with your first monthly payment.
- 1.5 If the Loan is made on the 'repayment' basis, you will have to make monthly payments that are made up of interest and Capital. Your payments will be calculated so that the Capital included in the Calculation Balance is repaid with interest by the end of the term.
- 1.6 If the Loan is made on the 'interest only' basis, you will have to make monthly payments that are made up only of interest on the Calculation Balance. You will need to repay the Capital in full by way of a lump sum payment at the end of the term. It is your responsibility to ensure you will be able to repay the Capital at the end of the term of an interest-only mortgage.
- 1.7 Please note that any Arrears you owe are not included in the Calculation Balance. This means that (unless we are able to change the monthly payment under Term 1.11(d) to provide for the Arrears to be rescheduled for payment over the rest of the term), the monthly payment we calculate under Term 1.5 or Term 1.6 will not provide either for the repayment of the Arrears or for the payment of the interest we charge on Arrears. However, on any change we make to the monthly payment under Term 1.11, the interest we will charge on the Arrears up to the date of the change ("**past interest**") will be included in the Calculation Balance, so that:
 - (a) where the 'repayment' basis applies, the changed payment will provide for the past interest (but not any future interest on the Arrears) to be repaid with interest by the end of the term; and
 - (b) where the 'interest only' basis applies, the changed payment will provide for the payment of interest on the past interest (but not on any future interest on the Arrears).

As the monthly payments do not provide for the repayment of the Arrears or the payment of future interest on them, you will need to pay off these sums at the end of the term if you have not been able to pay them off in the meantime.

- 1.8 If the Loan is made partly on the 'repayment' basis and partly on the 'interest only' basis, we will calculate the monthly payment in accordance with Term 1.5 for the part of the Calculation Balance to which the 'repayment' basis applies and in accordance with Term 1.6 for the part of the Calculation Balance to which the 'interest only' basis applies. You will need to repay the whole of the Capital representing the part of the Loan to which the 'interest only' basis applies by making a lump sum payment at the end of the term.

- 1.9 If you do not repay the Capital in full at the end of the term we can continue to apply interest to the Capital at the Interest Rate until it is repaid. We may also take proceedings against you which could result in us repossessing and selling the Property. Further details of the actions we may take if you do not repay the Capital in full at the end of the term are set out in Part 2 of these Terms.
- 1.10 If we receive any payment from you which is insufficient to pay in full what you owe to us we will apply the amount in the following order:
- (a) towards any Arrears;
 - (b) towards any unpaid charges and any unpaid interest which does not form part of the Arrears; and then
 - (c) towards the rest of the Outstanding Balance owing.
- 1.11 In certain circumstances we may vary the monthly payment amount. We may do this if:
- (a) there is a change in the Interest Rate;
 - (b) we add any unpaid charges to the Capital under Term 6.4;
 - (c) a change to the term of any Loan is agreed between you and us in writing;
 - (d) the change is needed to provide (where regulatory requirements permit this) for any Arrears to be rescheduled for payment over the rest of the term; or
 - (e) the change is required by any compulsory change in law or regulation.

We will act reasonably in exercising our right to vary the monthly payments in these circumstances and will notify you personally of the revised monthly payment. We will tell you not less than 10 working days in advance if your payment amount is changing and when the first amended payment is due.

- 1.12 If we or a receiver sell the Property or if you are a company, your other assets charged to us pursuant to a Debenture following enforcement action against you, you must still pay us any amount by which the sale proceeds fall short of the Outstanding Balance. If the shortfall is not paid immediately, we will continue to charge interest on it at the applicable Interest Rate until it is paid.

2 Set-Off

If you do not make a payment on time on any Loan (or guarantee) with us, we may use any money we have received from you, or any money which we hold for you, to make the payment (including any money in any accounts you have with us). This right is sometimes referred to as "the right of set-off".

3 Interest

- 3.1 On each day from the date we advance the Loan we will calculate interest on the Capital at the Interest Rate. Any interest which remains unpaid at the end of the last day of the calendar month in which it accrued will be added to the Capital on the first day of the following month. This means that if you do not make a monthly payment by the end of the calendar month in which it is due to be paid, you will be charged interest at the Interest Rate on the interest part of the missed payment.
- 3.2 On the first day of each month, we will provisionally enter in your Loan account the amount of the interest which we expect to charge during that month. This amount will be equal to interest on the Loan Balance owing at the end of the preceding month charged at the Interest Rate for the number of days in the month the interest charge is entered in your Loan account. We will adjust this amount during the month as necessary to reflect:
- (a) any reduction in your Loan Balance which results from our receiving a monthly payment, overpayment or other sum for the credit or your Loan account;
 - (b) any increase in your Loan Balance which results from our debiting an unpaid charge or other sum to your Loan account;
 - (c) any change in the Interest Rate;
 - (d) any change to the term of the Loan which is agreed between you and us in writing.

Any such adjustment will affect the interest which we have provisionally entered as chargeable for the number of days from and including the day on which the event causing the adjustment occurs until the last day of the month in which the event occurs.

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4 Changing the Interest Rate

- 4.1 Except during any period when interest is stated in your Offer to be charged at a fixed or tracker rate, we have the power to vary the Interest Rate for the reasons specified in Term 4.5.
- 4.2 Your Offer will set out the type of Interest Rate you have.
- 4.3 During any period in which your Interest Rate is stated to be fixed, we cannot vary the Interest Rate.
- 4.4 Where the Interest Rate is stated to track an Externally Set Interest Rate we will review the Externally Set Interest Rate quarterly. Following such quarterly review, your Interest Rate may increase or decrease and, we will apply any increase or decrease in a way that is aligned to movements in the applicable Externally Set Interest Rate. If the applicable Externally Set Interest Rate is less than 0.25% at any time, we shall deem such Externally Set Interest Rate to be 0.25%.

We will calculate the Interest Rate by taking the Externally Set Interest Rate at the relevant quarterly review date, shortening it to two decimal places and rounding it up to the nearest 0.05% (so that the second decimal place will always be a 5 or a 0).

- 4.5 In all other cases, the Interest Rate will be a variable rate. We may reduce the variable rate at any time and without notice to you, but will notify you of any change to your monthly payment under Term 1.11. We may increase the variable rate at any time to respond proportionately to any one or more of the following:
 - (a) a change in our costs in funding your Loan (this may include, for example, where the interest rates on the money we borrow to fund your Loan, such as LIBOR or any other Externally Set Interest Rate, increase);
 - (b) a change in the law, codes of practice or the way we are regulated; or
 - (c) a change beyond our reasonable control in the costs to us of providing your Loan or the services and facilities available in connection with it (including changes in technology we use).
- 4.6 We will give you personal notice in accordance with Term 20 of any increase in the Interest Rate either before or, in the case of a variable or tracker rate, as soon as possible after, the increase is to take effect.
- 4.7 If you do not agree to the increase in the Interest Rate, you are able to repay the Loan Balance in full. If you repay the Loan you may have to pay an early repayment charge and any other charge which applies under your Offer.

5 When We Can Ask For Repayment

- 5.1 In certain circumstances, we may give you notice requiring you to pay to us the Outstanding Balance immediately. We will only ask you to do this if:
 - (a) you have failed to make payment of an amount equal to two or more of your monthly payments on any Loan;
 - (b) you materially or persistently fail to comply with any of your obligations (other than for the payment of money) to us in relation to any Loan set out in the Mortgage Documents or any other agreement between you and us;
 - (c) any confirmation or statement made by you in relation to any Loan set out in the Mortgage Documents or any other document delivered to us under or in connection with a Loan (including but not limited to your application form in respect of a Loan) is incorrect or misleading when made or deemed to be made;

- (d) any:
 - (i) of your debts are or are capable of being declared prematurely due and payable due to the occurrence of an event of default (however described); or
 - (ii) facility for your debts is withdrawn or cancelled due to the occurrence of an event of default (however described);
- (e) you are unable or admit an inability to pay your debts or, by reason of actual or anticipated financial difficulties suspend payment of any of your debts or enter into negotiations with any of your creditors with a view to rescheduling your debts or entering into any composition or arrangement with your creditors generally or any class of creditors;
- (f) you are a Corporate Body, you become unable to pay your debts or you are deemed to be unable to pay your debts within the meaning of section 123 Insolvency Act 1986;
- (g) you are a Partnership, Limited Partnership or an individual and your estate is sequestrated or we reasonably think that it is likely that your estate will be sequestrated;
- (h) you are a Corporate Body, Limited Partnership or Partnership, any step is taken with a view to:
 - (i) the winding up, dissolution, administration, receivership or any analogous procedure in respect of you;
 - (ii) the appointment of a receiver, liquidator, provisional liquidator, administrator, administrative receiver or manager or other similar officer of you or your assets other than the presentation of a winding up petition which is frivolous and vexatious and is dismissed within 10 days or if earlier, prior to the date on which it is advertised; or
 - (iii) the rescheduling of your debts pursuant to a reorganisation, voluntary arrangement or otherwise;
- (i) you are a partner in a Partnership or a Limited Partnership or an individual, and you:
 - (i) give notice of intention to make a debtor application in terms of Part 15 of the Bankruptcy (Scotland) Act 1985 (Moratorium on Diligence);
 - (ii) enter into a trust deed for the benefit of creditors; or
 - (iii) apply for approval of a Debt Payment Programme within the meaning of the Debt Arrangement and Attachment (Scotland) Act 2002.
- (j) you are a partner in a Partnership or an individual and you have a bankruptcy order made against you or we reasonably think that one is likely to be made;
- (k) you are a Corporate Body, it is dissolved or struck off the register or the Registrar of Companies threatens to do so;
- (l) you are a Partnership, it is dissolved, terminated or wound up;
- (m) any steps are taken to enforce any encumbrance over all or part of your assets;
- (n) any diligence, execution or similar process affects your assets and is not discharged within 10 days;
- (o) it becomes unlawful for you to perform any of your obligations under the Mortgage Documents or any other document delivered to us under or in connection with a Loan;
- (p) any encumbrance created or expressed to be created by a Mortgage Deed or a Debenture is not or ceases to be valid and effective;
- (q) any of your obligations under the Mortgage Documents or any other document delivered to us under or in connection with a Loan ceases to be legal, valid, binding or enforceable;
- (r) any Mortgage Document ceases to be in full force and effect or any security created under a Mortgage Deed or a Debenture ceases to be legal, valid, binding, enforceable or effective;
- (s) you cease, or threaten to cease, to carry on all or a material part of your business or operations;
- (t) you are a Corporate Body, a Change of Control occurs;
- (u) any building forming part of the Property has been pulled down, altered or had any restrictions placed on its use (including where required under the laws about planning) and as a result the value of the Property has decreased or will decrease;
- (v) the Property is compulsorily acquired (for example, a local authority forces you to sell the Property to them);
- (w) the Property has been abandoned;
- (x) you are a partner in a Partnership or an individual, you die or cease to have mental capacity to enter into valid contracts under Scots law or, in the case of more than one partner in a Partnership, the last surviving partner dies or ceases to have mental capacity to enter into valid contracts under Scots law;
- (y) any circumstance occurs in respect of a Guarantor or procedure or step is taken in respect of a Guarantor analogous to those set out in Terms 5.1(d), 5.1(e), 5.1(i), 5.1(j), 5.1(m), 5.1(n) or 5.1(o);
- (z) it becomes unlawful for a Guarantor to perform its obligations under any Guarantee;

- (aa) any obligations or obligations of a Guarantor under any Guarantee are not or cease to be legal, valid, binding or enforceable;
 - (bb) a Guarantor terminates, revokes, cancels or determines in whole or in part its liability or obligations under any Guarantee or evidences an intention to terminate, revoke, cancel or determine in whole or in part its liability or obligations under any Guarantee; or
 - (cc) any event occurs or circumstances arise which have or are reasonably likely to have a Material Adverse Effect.
- 5.2 If you do not repay the Outstanding Balance when requested and we obtain a court judgment against you for that amount or part of it, you will pay interest on the amount of that judgment at the rate set by the court or, if none is set by the court, at the Interest Rate.

6 Incurring Charges

- 6.1 You agree to pay us the charges we make to recover the costs and expenses we reasonably incur in connection with your mortgage. The charges we make may cover either or both of the costs and expenses we have to pay to third parties and the internal administrative expenses which we incur.
- 6.2 Where we are able to make a reasonable estimate of the costs and expenses we incur in typical cases, we may recover our costs and expenses by asking you to pay a standard charge equal to the amount we have estimated. Our standard charges are set out in our Tariff or (where they arise in connection with the making of a new Loan) in your Offer. In other cases, we may recover our costs and expenses by asking you to pay a charge equal to the costs and expenses we actually pay or incur in the particular case.
- 6.3 Examples of charges include (but are not limited to):
- (a) **Operational costs:** Charges may be incurred when we:
 - (i) supply or copy deeds or documents to you or anyone acting for you;
 - (ii) discharge our security or release the Property or any related rights from our security;
 - (iii) release any title deeds;
 - (iv) process any request by you or anyone acting for you relating to any change in the terms of the Loan or the mortgage; or
 - (v) give you or anyone authorised by you any assistance or information in connection with the Property, the Loan or the mortgage;
 - (b) **Legal costs:** Before the first Loan is made we will ask you to set up a mortgage over the Property and if you are a company, a Debenture over all of your assets to secure the Loan and any future Loans. You will be responsible for paying the charges we make to cover the legal costs of any conveyancer who undertakes our legal work in relation to the mortgage. Your Offer will state whether you are paying the whole or part of the legal costs involved in setting up the mortgage and making the first Loan. If, for any reason, you do not go ahead with the Loan and your solicitor or any solicitor we have instructed has done any work, you may still have costs to pay;
 - (c) **Costs to safeguard our security:** You must pay us the charges we make where we need to take action to safeguard our security or because you fail to fulfil an obligation you have under these Terms or your Offer. Examples of items covered by these charges include (but are not limited to):
 - (i) any legal proceedings and costs relating to the mortgage (this applies whether or not you are a party to the proceedings);
 - (ii) obtaining a valuation of the Property;
 - (iii) exercising any of the rights or powers given to us by law or these Terms;
 - (iv) recovering any of the Outstanding Balance;
 - (v) insuring the Property or checking that any insurance of the Property which you have arranged is adequate for our purposes; and
 - (d) **Arrears Charges:** If you fail to make any payments due to us and your Loan account falls into arrears, we will charge you arrears administration fees. The time from when we start charging these fees and the amount of these fees will be set out in the Tariff. Where arrears administration fees are charged, they will be added to the Capital each month under Term 6.4. Legal costs may also be charged if we have to take further action.

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- 6.4 If you do not pay a charge within 7 days of the date we specify to you as the due date, then we may add it to the Capital if it is reasonable to do so. If we do this:
- (a) we will charge interest on the charge at the Interest Rate until it is repaid or, where there is more than one such rate, at the rate which applies to the part of the Outstanding Balance which came into existence first;
 - (b) if the addition of the charge results in your monthly payment being changed we will give you notice of the new amount in accordance with Term 1.11; and
 - (c) we will ensure that any new monthly payment amount provides for each month's interest on the charge to be covered by the corresponding monthly payment for that month and (if that charge forms part of any Capital that is not being repaid on an 'interest only' basis) for the charge to be repaid with interest by the end of the term.

7 Changing Our Charges

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

- (a) a change in the law, codes of practice or the way we are regulated; and
- (b) a change beyond our reasonable control in the costs to us of providing your Loan and the services and facilities we provide in connection with it (including changes in technology we use).

7.2 We may introduce new charges which are not in the Tariff at any time if it is reasonable to do so to enable us to respond proportionately to a change in either or both of the following:

- (a) a change in the law, codes of practice or the way we are regulated; and
- (b) a change beyond our reasonable control in the costs to us of providing your Loan and the services and facilities we provide in connection with it (including changes in technology we use).

7.3 Telling you about changes

If we make a change to the charges listed in our Tariff:

- (a) we will write to give you notice at least seven days before the change takes effect if the change is to your disadvantage or where we introduce a new charge;
- (b) the new charge will be set out in the Tariff, a copy of which will be provided to you at least once a year when changes are made;
- (c) we will tell you when you ask us to do something which incurs a charge before the charge is incurred; and
- (d) details of our charges will be available on our website at www.vidahomeloans.co.uk.

8 Flexible Features

Any flexible features on your Loan will be shown in your Offer. Where applicable, the flexible features operate as provided in this Term 8.

8.1 Overpayments

- (a) If you can make overpayments this will be set out in your Offer.
- (b) You can make overpayments by:
 - (i) increasing your monthly payment; or
 - (ii) cheque (we will specify who to make the cheque payable to); or
 - (iii) bank transfer to an account we specify.

- (c) You can make overpayments at any time. Where overpayments are made during a period in which early repayment charges apply to a Loan you can make overpayments of up to 10% of the Loan Balance in any 12 month period without incurring an early repayment charge. You will be charged an early repayment charge for any overpayments made above this amount. Details of your early repayment charges and when they apply are set out in your Offer.

8.2 Payment Holidays and Underpayments

- (a) Your Offer will say whether you are entitled to take a payment holiday (i.e. miss one or more of your monthly payments) or make an underpayment (i.e. pay less than the full amount of your monthly payment).
- (b) You may only take a payment holiday or make an underpayment where you have built up a sufficient overpayment reserve to cover the amount of any monthly payment which you will be missing or the amount by which your underpayment falls short of the full monthly payment.
- (c) To take a payment holiday or make an underpayment, you must:
 - (i) not have failed to pay any sum which you were required to pay under these Terms or your Offer, or have had any payment arrangement in place with us, during the 12 months prior to taking the payment holiday or making an underpayment;
 - (ii) not otherwise be in breach of these Terms or your Offer;
 - (iii) not be subject to any of the circumstances referred to in Term 5.1;
 - (iv) not be claiming on any mortgage repayments insurance policies you have;
 - (v) not be claiming unemployment benefits; and
 - (vi) not have a subsequent charge to us registered against the Property in the name of another lender.

8.3 Porting

- (a) If you are entitled to 'port' your Loan (i.e. transfer your Loan Balance to a mortgage of another property) this will be set out in your Offer.
- (b) If you are entitled to port your Loan, this means that, if you are moving to another property which you are buying with a mortgage loan from us, you will be able to transfer the Loan Balance to the mortgage of the other property without any change to the Interest Rate or other terms which apply to the Loan and without being subject to any early repayment charge which might otherwise apply. If you move during a period in which an early repayment charge applies, the charge will however be payable if you reduce (repay) part of the Loan Balance at the time you move. Details of early repayment charges and when they apply are set out in your Offer.
- (c) You will only be able to port your Loan at the point you purchase a new property. Any additional lending you require as a result of moving will be offered to you on our business terms which are current at the time and you will be subject to a credit assessment and other criteria in respect of the additional loan.
- (d) In certain circumstances, you may also be subject to a full affordability assessment where you choose to port your Loan. Our affordability requirements at the time your move may be different to those at the time you take out your Loan and also your circumstances may have changed. We will discuss the details of this with you, if applicable, at the time.

PART 2 – MORTGAGE TERMS

9 Security

- 9.1 By entering into the Mortgage Deed and, if you are a company, a Debenture, you have given us security over the Property and if you are a company, your other assets, to protect us in case you do not keep to your obligations under these Terms, your Offer and any other document which sets out the agreement between us and you for the Loan. If we enforce the security, we need to take certain steps which are described in this Part 2. This Part 2 also describes your obligations in relation to the Property and the restrictions which apply to the way you can deal with the Property whilst it forms part of our security.
- 9.2 The security over your Property may be for more than the Outstanding Balance you owe under these Terms and each Offer. It will also be for any other money that you owe to us under any other agreement or will owe to us in the future.
- 9.3 Unless we agree otherwise with you, the security will not be released until all money you owe to us (whether due or not) under any agreement secured by the Mortgage Deed and/or Debenture (if you are a company) has been paid.

10 Dealing with the Property

- 10.1 There are certain actions that you must take, or must not take, in relation to the Property. You must ensure any tenants of the Property:
- (a) keep the Property in a good condition at all times and carry out any necessary repairs;
 - (b) comply with all promises and obligations which (now or in the future) are binding on you in respect of the Property or its use (for example, obligations under the title deeds or laws about planning);
 - (c) ensure that any unfinished building or works on the Property are completed without delay and are carried out to the required standard;
 - (d) if the Property is leasehold, comply with all of the tenants' obligations under the lease;
 - (e) pay all existing and future rents, taxes, outgoings and rent charges affecting the Property;
 - (f) send to us a copy of any notice or other document affecting the Property within 14 days of you receiving it from:
 - (i) a landlord (if the Property is leasehold);
 - (ii) a tenant of the Property;
 - (iii) anyone claiming a legal right over the Property; and
 - (iv) any government department, local or other authority;
 - (g) allow us, our employees, or agents to enter the Property after giving you reasonable notice so that we may:
 - (i) carry out a valuation of the Property;
 - (ii) inspect the state of repair and condition of the Property;
 - (iii) carry out or complete any work which is needed to put right any failure by you to comply with these Terms;
 - (h) tell us before you apply to a local authority or other similar body for any loan or grant for the repair or improvement of the Property. This is because the loan or grant may be subject to conditions requiring the whole or part of the grant to be repaid. You cannot accept any such loan or grant unless we agree in writing; and
 - (i) not knowingly take any action regarding the Property that is against any applicable law or regulation.
- 10.2 Other than as permitted in Term 11.4 and Term 11.5, you must not do any of the following without getting our written consent first:
- (a) transfer, assign, mortgage, obtain an extended lease of or otherwise deal with or give away the Property;
 - (b) accept the surrender of any lease or tenancy of the Property;
 - (c) alter or extend the Property.

- 10.3 We may instruct a valuer to value and inspect the Property and provide us with a Valuation Report at anytime.
- 10.4 We will require you to pay the cost of any such Valuation Report promptly on demand, if:
- (a) a Valuation Report has been obtained in connection with the compulsory purchase of the Property; or
 - (b) a Valuation Report has been obtained by us at any time when a Default is occurring or we reasonably believe that a Default is occurring.

11 Use and Occupation of the Property

- 11.1 You must use the Property for letting for residential purposes as a private dwelling and you must not change the use of the Property, or allow the Property to be used for a trade or business, without first getting our consent in writing.
- 11.2 You must not occupy the Property yourself and you must not agree to grant a tenancy of the Property to any of the following:
- (a) your family members (including, for example, your spouse, civil partner, parents, grandparents, siblings, children and grandchildren) (each a **Family Member**);
 - (b) if you are a Corporate Body, any director, member or shareholder of such Corporate Body and any Family Member of a director, member or shareholder of the Corporate Body;
 - (c) if you are Partnership, any partner of the Partnership or any Family Member of a partner of the Partnership;
 - (d) tenants in receipt of housing benefit;
 - (e) local authority tenants; and
 - (f) people who could claim diplomatic immunity.
- 11.3 You must not, unless we have agreed in writing, grant or agree to grant or renew any lease or tenancy of the Property or give to any person any contractual or other licence or right to occupy or live in the Property other than a tenancy which complies with Term 11.4 or Term 11.5.
- 11.4 You must ensure that any tenancy agreement for the Property created with a non-corporate tenant complies with the following:
- (a) any tenancy of the Property created before 1 December 2017 must be a short-assured tenancy and be for a term of not less than six months (your solicitor must produce to us or our solicitor a valid AT5 notice served under the Housing (Scotland) Act 1988 before the tenancy was created together with a copy of the tenancy agreement);
 - (b) any tenancy created after 1 December 2017 must in all respects comply with the Private Housing (Tenancies) (Scotland) Act 2016 as a private residential tenancy;
 - (c) you must produce evidence to our solicitor, before buying the Property, that all provisions of the Housing (Scotland) Act 1988 and the Private Housing (Tenancies) (Scotland) Act 2016 (as applicable) have been complied with by the seller or you as appropriate;
 - (d) the letting must be for residential purposes only;
 - (e) the letting must:
 - (i) in the case of short assured tenancy, not confer any security of tenure on the tenant(s) beyond the end of the contractual term of the tenancy agreement; and
 - (ii) in the case of a private residential tenancy, not confer any security of tenure of the tenant(s) beyond the rights granted to the tenant(s) at law by the Private Housing (Tenancies) (Scotland) Act 2016;
 - (f) the tenancy agreement must, in the case of a short-assured tenancy, not be for a term of more than thirty-six months;
 - (g) references about ability to pay the rent and character must be obtained for the proposed tenant(s) and must be made available when we ask for them;
 - (h) any tenancy agreement must (i) be in a form normally used for residential agreements; and (ii) contain no terms which can adversely affect our interest as mortgagee; and
 - (i) any deposit must be held by a body approved by the Scottish Government pursuant to the requirements of the Tenancy Deposit Schemes (Scotland) Regulations 2011.

- 11.5 Any tenancy agreement for the Property created with a corporate tenant must be in form and substance acceptable to us and our solicitor.
- 11.6 If the rental income for the Property exceeds £100,000 per annum, we reserve the right to request that you use our preferred form of tenancy agreement.

12 Insuring the Property

- 12.1 Your Property must be covered by buildings insurance for as long as it is security for money that you owe us.
- 12.2 Except where the Property is insured in accordance with Term 12.4, you must insure the Property and the following terms will apply:
- (a) you must maintain a comprehensive policy against all usual house insurance risks with such insurers as we approve. The risks include (but are not limited to) fire, explosion, earthquake, storm, flood, escape of water or oil, subsidence, heave, landslip and malicious damage. The policy must be for the cost of full reinstatement of the Property, including clearing the site and paying all fees and expenses. The amount insured under the policy must be enough to put the Property back to its original state following any amount of damage or destruction;
 - (b) you will tell the insurer of our interest in the Property as mortgagee and will arrange for our interest to be noted on the policy; and
 - (c) you will give us proof of payment of the premiums if we ask for this.
- 12.3 If you fail to insure the Property in accordance with Term 12.2, we can insure it instead. If we do so:
- (a) we will choose the insurers and maintain a comprehensive policy against all usual house insurance risks and for the cost of full reinstatement of the Property; and
 - (b) we will do so at your expense and you will pay the charges we impose under Term 6.3(c) for making good your failure to insure.
- 12.4 If the Property is leasehold and the terms of the lease provide for the Property to be insured by a third party (for example, the landlord), then the Property will not need to be separately insured by you, provided that:
- (a) you comply with the terms of the lease;
 - (b) you tell or ensure that the landlord tells the insurer of our interest in the Property as mortgagee and you or the landlord arrange for our interest to be noted on the policy;
 - (c) we or our conveyancer have approved the policy and confirmed that the insurance is in force; and
 - (d) you must do your best to ensure that the Property remains insured against all risks detailed in Term 12.2(a) above and for the cost of full reinstatement of the Property.
- 12.5 You will not do anything or allow anything to be done or not done which may make the insurance invalid or which makes the insurance more difficult or expensive to obtain or maintain or affects the ability to make a claim under the insurance policy.
- 12.6 We may, on your behalf, settle and adjust any claims against the insurers of the Property. In the event of a payout following a claim on the policy (whether arranged by you or us), we may receive any money paid out under the claim or, if you receive it, you must hold it on trust on our behalf and keep it separate from your other funds. We will use any money paid under the insurance policy to rebuild or repair the Property unless it is impracticable to do so, in which case, we will use the money to reduce or pay off the Outstanding Balance.

13 Your Promises

13.1 You will not:

- (a) make a substantial change to the general nature of your business, unless we give our consent;
- (b) create or permit to subsist any encumbrance over the Property other than pursuant to the Mortgage Deed or with our prior written consent; and
- (c) if you are a company, create or permit to subsist any encumbrance over your assets other than pursuant to the Mortgage Deed and the Debenture or otherwise with our prior written consent.

13.2 If you are a Corporate Body, you will:

- (a) not appoint any new directors or members, unless we give our written consent;
- (b) immediately notify us if any director ceases to be a director or any member ceases to be a member.

13.3 If you are a Partnership, you will ensure that no new partner is appointed to the Partnership unless we give our written consent and such partner accedes to the terms of the Mortgage Documents as required by us and in a manner acceptable to us.

13.4 If you are a Partnership, you will immediately notify us of:

- (a) the death, bankruptcy, incapacity, expulsion or retirement of a partner of the Partnership;
- (b) any other event which results in a person ceasing to be a partner of the Partnership; and
- (c) a new partner being appointed to the Partnership.

14 Your confirmation to us

14.1 You confirm to us that:

- (a)
 - (i) if you are a Partnership, it is duly constituted and validly existing under the laws of its jurisdiction of establishment;
 - (ii) if you are a Corporate Body it is duly incorporated and is validly existing under the laws of its jurisdiction of incorporation;
- (b) you have the power to own your assets and to carry on your business as it is being conducted;
- (c) you have full power and capacity to enter into and perform your obligations under the Mortgage Documents or any other document delivered to us in connection with a Loan;
- (d) no limit on your powers will be exceeded as a result of you entering into and performing your obligations under the Mortgage Documents or any other document delivered to us in connection with a Loan;
- (e) all necessary action has been taken to authorise you to enter into and perform your obligations under the Mortgage Documents or any other document delivered to us in connection with a Loan;
- (f) the obligations expressed to be assumed by you in the Mortgage Documents or any other document delivered to us in connection with a Loan are legal, valid, binding and enforceable;
- (g) the entry into and performance by you of the Mortgage Documents or any other document delivered to us in connection with a Loan does not conflict with:
 - (i) your constitutional documents (if any);
 - (ii) any law or regulation applicable to you; or
 - (iii) any agreement or instrument binding on you or your assets or constitute a default under any such agreement or instrument;
- (h) you have obtained and maintained in full force and effect all consents, licences or other authorisations required by you to enable you to perform your obligations under the Mortgage Documents or any other document delivered to us in connection with a Loan;

- (i) all factual information provided by you to us under or in connection with a Loan and the Mortgage Documents or any other document delivered to us in connection with a Loan (including but not limited to your application form in respect of a Loan) was accurate in all material respects when provided and did not omit any information which would render the information provided misleading;
- (j) if you are an individual, any certified business accounts supplied by you to us under or in connection with a Loan:
 - (i) were prepared in accordance with GAAP consistently applied; and
 - (ii) fairly represent your financial condition and the results of your operations for the period in respect of which they were prepared;
- (k) if you are a Partnership, any certified business accounts of the Partnership supplied by you to us under or in connection with a Loan:
 - (i) were prepared in accordance with GAAP consistently applied; and
 - (ii) fairly represent the Partnership's financial condition and the results of the Partnership's operations for the period in respect of which they were prepared;
- (l) if you are a Corporate Body, any audited financial statements supplied by you to us under or in connection with a Loan were prepared in accordance with GAAP consistently applied;
- (m) if you are a Corporate Body, any unaudited financial statements supplied by you to us under or in connection with a Loan fairly represent your financial condition and the results of your operations for the period in respect of which they were prepared;
- (n) no litigation, arbitration or other administrative proceedings or investigations have been started or threatened against you which if adversely determined would have a Material Adverse Effect;
- (o) you are not in breach of any law or regulation where such breach would have a Material Adverse Effect; and
- (p) no Event of Default has occurred and is continuing.

14.2 The confirmations in Term 14.1 are made on the date of your acceptance of your Offer and deemed to be repeated (by reference to the facts and circumstances then existing) on each date on which you owe money to us under a Loan.

15 Action We May Take

15.1 We may take any of the steps specified in Term 15.2 if you have become obliged to pay us the Outstanding Balance immediately under Term 5.1. We may appoint a receiver to take these steps instead of us. A receiver is someone we can appoint to manage the Property for us. Although we would appoint the receiver, they would act for you and in your name (not us) and you would have to pay their fees.

15.2 We or any receiver may do the following to protect our position as Lender and safeguard the Property as security for the Outstanding Balance:

- (a) generally manage the Property including collecting and receiving all rents, arranging any necessary repairs and maintenance, ensuring compliance with local authority requirements, maintaining, renewing or increasing insurances and serving notices under any relevant housing legislation;
- (b) take possession of the Property and take any action or proceedings necessary to do so;
- (c) sell the Property (whether or not we have taken possession) for a price and on such terms as we may think fit (always ensuring that we obtain the best price possible in the circumstances);
- (d) let or sublet the Property and vary, renew, terminate, surrender or accept surrenders of leases, tenancies or licences over the Property for a price and on such terms and for such rent and payment as we think fit;

15.3 where the Property has been let or sublet under paragraph (d) above, exercise, on your behalf and without having to give you prior notice or obtain your consent, all the powers and duties conferred on a landlord by legislation in force at the time. If we, or a receiver appointed by us, take possession of the Property you must remove all furniture and other moveable property (personal items) from the Property within 7 days and must not remove any fixed items from the Property without our agreement in writing.

- 15.4 If any furniture or moveable items are not removed within 7 days then you agree that we or the receiver may:
- (a) deal with them as your agents and at your expense;
 - (b) sell or otherwise dispose of anything which belongs to you, in which case we (or the receiver) will give you any proceeds received less all reasonable expenses of the sale; and
 - (c) remove and store anything which we know does not belong to you.
- 15.5 Where more than one receiver is appointed each joint receiver may act separately and independently of any other joint receiver (unless the document appointing such receiver states otherwise). We may from time to time remove a receiver and appoint another in their place.
- 15.6 A receiver may charge any amount for their services as we reasonably agree with him and you will be responsible for paying those fees. We and any receiver may also employ and pay agents to act in our or the receiver's place. These agents will be treated as your agents and you will also be responsible for their fees so long as they are reasonable.

16 Power Of Attorney To Act On Your Behalf

- 16.1 We and any receiver appointed over the Property may need to take certain action (including signing documents) on your behalf to protect our security. By execution of the Mortgage Deed, you therefore appoint us and any receiver appointed over the Property to be your attorney to take such action where necessary. This means we and any receiver appointed over the Property are legally entitled to act on your behalf. We are appointed for as long as the mortgage remains in force securing any money you owe to us.
- 16.2 If there are two or more of you then you agree that we and any receiver will be attorney for each of you individually as well as for all of you jointly.
- 16.3 You give us a power of attorney authorising us and any receiver to act on your behalf to take any action which you are obliged to take under these Terms, including but not limited to:
- (a) signing and completing any document which is needed to make good any defect in your title to the Property or in the mortgage;
 - (b) transferring your share or interest in any residents' society or management company, or your legal or beneficial interest in the freehold or leasehold of the Property when we exercise our powers as mortgagee to sell or lease the Property;
 - (c) entering into any variation of your title to the Property in order to protect or enhance our security; and
 - (d) settling any claim made by your landlord or management company (if your Property is leasehold) if we think it reasonable for us to settle it in order to protect our security or maintain its value, even though you may dispute the sum claimed.

17 Compensation from Third Parties

- 17.1 You may at some time be entitled to recover money or damages:
- (a) to correct or compensate for defects or damage relating to the Property or the title to it; or
 - (b) for any breach of contract or wrongful act or omission which may have caused damage to the Property or to the title to it or caused you to accept the Property or the title to it in a damaged or defective condition.
- 17.2 If you recover money or damages pursuant to Term 17.1 above, you may use the money or damages recovered either towards making good the damage or defects or towards payment of the money secured by the mortgage.

PART 3 – GENERAL TERMS

18 Joint and several liability

Where you comprise two or more persons:

- (a) the Mortgage Documents apply to all of you together and to each of you on your own; and
- (b) each of you can be held fully responsible for keeping to the Mortgage Documents.

This means that we can pursue each of you individually and both of you together to recover the Outstanding Balance.

19 Transferring the Mortgage and the Outstanding Balance

19.1 We may sell, transfer, assign, charge or otherwise dispose of our interest (in whole or in part) in the mortgage and the Outstanding Balance to another person at any time on such terms as we may decide and without your consent.

19.2 Unless the terms of the transfer state otherwise, a transferee of the mortgage and the Outstanding Balance will be able to exercise all the rights, powers and remedies which we are able to exercise before the transfer. In the event of a transfer, your obligations to us under the applicable Mortgage Documents will continue for the benefit of the transferee.

19.3 You agree that we may at any time transfer all or some of our obligations under the mortgage (including these Terms) and your Offer to another person. If we do so, you will be able to enforce the transferred obligations against that person in the same way that you could enforce them against us before the transfer.

19.4 If we take any of the steps described in Terms 19.1 or 19.3:

- (a) it will not reduce your rights or increase your obligations under the mortgage (including these Terms) and your Offer; and
- (b) it will not reduce any guarantees you have under or by virtue of the mortgage (including these Terms) and your Offer.

19.5 We may disclose the following to any person who takes, or is about to take, a transfer, assignment, charge or other disposal of all or part of our interest in, or any of our rights under or in respect of, the mortgage and the Outstanding Balance, or who takes, or is about to take, a transfer of all or some of our obligations under the mortgage (including these Terms) and your Offer:

- (a) any information you gave us when you applied for any Loan;
- (b) any documents supporting your application; and
- (c) any other information or documents we hold concerning the Property, your Offer, any other security we hold in respect of the Outstanding Balance, or the way you have performed your obligations under your Offer and these Terms.

Where any information or document which we disclose under this Term was originally supplied by you, you agree that the person to whom we disclose it may rely on its truth and accuracy.

19.6. You may not assign or transfer your rights or obligations under these Terms or your Offer.

20 Notices

20.1 We may give you notice under these Terms by writing to you personally either:

- (a) by post to your last known address or if you are a Corporate Body, your registered office address; or
- (b) by other electronic communication to any number or email address you have given us for this purpose.

20.2 Any notice given by us under Term 20.1 will be considered as received by you as follows:

- (a) **Post:** the second working day after date of posting (regardless of class of post); and
- (b) **Email:** the day the email is sent.

21 Other Terms To Be Aware Of

21.1 All communications between us may be monitored or recorded to improve the quality of our service and for your protection and security.

21.2 We will supply these Terms and otherwise communicate with you in connection with your Loan in the English language.

21.3 Each of the provisions of these Terms 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.

21.4 Laws and regulations imply certain terms into our agreement with you. For example, as well as the powers set out in these Terms, we and you both have some other legal rights. Unless these Terms explicitly disapply those rights, they will be applicable to you or us.

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

21.6 We can change these Terms if it is reasonable to do so to:

- (a) make them easier to understand or to make them fairer to you;
- (b) change the way we look after your account as a result of changes beyond our reasonable control in the banking or financial system, technology or the systems we use to run our business; and/or
- (c) reflect changes to the law, codes of practice or the way we are regulated.

21.7 No person other than a party to the mortgage or a person who takes a transfer of our interest in the mortgage or the Outstanding Balance under Term 19.1 may enforce any rights under these Terms or your Offer under the Contract (Third Party Rights) (Scotland) Act 2017.

21.8 These Terms are governed by the laws of Scotland.

22 Complaints

22.1 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.

22.2 We hope to resolve issues as soon as we know about them. However, if you feel we haven't achieved this, we have clear and simple procedures in place to make sure we handle your case fairly, sensitively and in line with requirements set by the Financial Conduct Authority. We will also try to make sure that we fix the root cause of problems so that we don't make similar mistakes again.

- 22.3 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.
- 22.4 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 have been unable to do that by the end of the following business day after we've received your complaint, we'll write to you. We'll do this within five business days to acknowledge your complaint and tell you who is dealing with it.
- 22.5 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.
- 22.6 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.
- 22.7 If you're unhappy with our final response to your complaint, you may be eligible to ask the FOS for an independent review.
- 22.8 For a full outline of our complaints procedures and how to make a complaint, please go to our website at www.vidahomeloans.co.uk.

23 Data Protection

- 23.1 We are a "Controller" of your "Personal Data" (as each term is defined in the General Data Protection Regulation). A full explanation of how we use your personal data and your rights in relation to your personal data is set out in our Use of Information Statement, which is available at www.vidahomeloans.co.uk/intermediaries/documents.
- 23.2 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 Use of Information Statement.

Need help?

If you have any questions call us on **03300 246 246**

Or email us at info@vidahomeloans.co.uk



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

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