

# **Residential**

## Mortgage and Loan Terms & Conditions

2018



MTCR V4 0718  
Document correct as of 23.06.22

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## Vida Homeloans: Mortgage and Loan Terms and Conditions (England and Wales)

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 home 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 legal adviser.**

This booklet is split into three parts:

**Part 1 (loan terms)** This, along with the 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 the 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 the Offer.

**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
<b>Monthly payments</b>	<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><b>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.</b></p>

**Joint borrowers** If you are borrowing jointly with someone else each of you together and both 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.

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**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 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 4.2(c) of your 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 rate, the Interest Rate you pay will vary in line with changes in the external rate, except that your Interest Rate will not go below 0% even if the external rate does so. The overall cost of your mortgage will increase if the external rate increases 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.

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**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.

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

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**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 or if you commit a material breach of one of your other obligations). The full set of circumstances in which we may do this is set out in Term 5.1 of your loan terms.

Please make sure that you understand when 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 the Property.

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**Charges** 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.

Our current list of standard charges (our Tariff) is provided to you with these conditions and is available on our website at [www.vidahomeloans.co.uk](http://www.vidahomeloans.co.uk). We can change these charges and introduce new charges. The reasons why we may do this are set out in Term 7 of your loan terms.

### Property obligations

Your Loan will be secured on the Property described in your Offer.

It is important that the Property is kept in a good state of repair. Term 10.1 of the mortgage terms sets out the Mortgagor's obligations in relation to maintaining the Property, such as completing building work. The Mortgagor must also obtain our permission before carrying out certain actions in relation to the Property, such as altering or extending it or letting it to a tenant.

The Mortgagor must insure against the usual risks to a property (fire and flood for example and for an amount that is sufficient to fully re-instate the Property if it is destroyed or damaged. If the Mortgagor fails 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 or commonhold and someone else, such as a landlord, is responsible for insuring it: see Term 12.4 of the mortgage terms.)

### Action we may take

We (or any receiver we appoint) can take certain action in relation to the Property if you fail to meet your obligations. These actions are set out in Term 13 of your mortgage terms. They include repossessing the Property and selling it.

### Transferring the loan and mortgage

We may transfer our interest in the mortgage and the Loan to another person in accordance with Term 17 of the mortgage terms.

## 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.

**Borrower** means a person, who is named as such in the Offer, together with all persons deriving title under him (and where the context permits) any person who undertakes the obligations of the Borrower.

**Calculation Balance** means the balance we use to work out 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.

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

**LIBOR** means the London Interbank Offered Rate, which is based on the average of the interest rates at which leading banks could borrow money from each other. As well as using LIBOR as the external rate for setting some of our tracker rate loans, we also take account of LIBOR as one factor in setting the variable interest rates we charge to our mortgage borrowers.

**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.

**Mortgagor** means the Borrower who provided the security, together with all persons deriving title under him (and where the context permits) any person who undertakes the obligations of the Mortgagor.

**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.

**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 and includes our successors in title (at law or in equity) to the mortgage and anyone to which we transfer or assign the Loan and/or mortgage to in accordance with the Terms.

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

**Tariff** means our Tariff of Mortgage Charges. 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](http://www.vidahomeloans.co.uk).

**Terms** means all the terms set out in this booklet.

**you** and **your** mean the Borrower including the Mortgagor (and their personal representatives and anyone who takes over their legal rights and duties under the Loan/Offer).

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

# PART 1 – LOAN TERMS

## 1 Payments

- 1.1 By the end of the term set out in the 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 the Offer, as varied from time to time under Term 1.11 of the loan terms, 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 day 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 Monthly payments must be made by direct debit from a UK bank or building society account.
- 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 work out under Term 1.5 or 1.6 will not provide either for the repayment of the Arrears or for the payment of the interest we charge on them. However, on any change we make to the monthly payment under Term 1.11, the interest we have charged 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 work out 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 Loan 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 of the loan terms;
  - c) a change to the term of the 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 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 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 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.
- 3.2 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.
- 3.3 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 the 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. 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 InterestRate;



- 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.

#### **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 4.2(c).
- 4.2 The Offer will set out the type of Interest Rate you have.
  - (a) During any period in which your Interest Rate is stated to be fixed, we cannot vary the Interest Rate.
  - (b) Where the Interest Rate is stated to track an externally set interest rate (such as Bank of England Base Rate or LIBOR) your Interest Rate will increase and decrease at the same time and by the same amount as the external rate as set out in the Offer. However, your Interest Rate will not go below 0% even if the external rate does so.
  - (c) 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 of the loan terms. We may increase the variable rate at any time to respond proportionately to any one or more of the following:
    - (i) a change in the Bank of England base rate;
    - (ii) a change in LIBOR;
    - (iii) 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, increase);
    - (iv) a change in the law, codes of practice or the way we are regulated;
    - (v) 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).
- 4.3 We will give personal notice in accordance with Term 18 of any increase in the Interest Rate either before or, in the case of a tracker rate, as soon as possible after, the increase is to take effect.
- 4.4 If you do not agree to the increase, 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 the 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 the Loan and mortgage set out in the Offer, these Terms or any other agreement between you and us;
  - (c) you are made bankrupt;
  - (d) you enter into a voluntary arrangement (or propose to do so), or enter into an arrangement with your creditors, or apply for an interim order, or your Property is taken into trust for the benefit of your creditors;

- (e) the Property is compulsorily acquired (for example, a local authority forces you to sell your Property to them);
- (f) the Property has been abandoned; or
- (g) you die or, in the case of joint borrowers, the last surviving one of you dies.

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 InterestRate.

## **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 the 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 for any change in the terms of the Loan or the mortgage;
  - (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 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. The 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;
- (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 the 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) exercising any of the rights or powers given to us by law or these Terms;
  - (iii) recovering any of the Outstanding Balance;
  - (iv) insuring the Property or checking that any insurance of the Property which you have arranged is adequate for our purposes;
- (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 of the loan terms. Legal costs may also be charged if we have to take further action.

- 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 at the Interest Rate on the charge 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 originated earliest;
  - (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 the 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 from [www.vidahomeloans.co.uk](http://www.vidahomeloans.co.uk).

## **8 Flexible Features**

Any flexible features on your Loan will be shown in the 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 the 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 the Offer.

## 8.2 Payment Holidays and Underpayments

- (a) The 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) If you are to take a payment holiday or make an underpayment, you must resume payment of your full monthly payments as soon as you have used up the amount of your overpayment reserve.
- (d) 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 the 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 the Offer;
  - (iii) not be subject to an individual voluntary arrangement or bankruptcy proceedings;
  - (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 the 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 the Offer.
- (c) You will only be able to port your Loan at the point you move. 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 of 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**

**In this Part 2, Terms 10, 11 and 12 are obligations of the Mortgagor. All Borrowers who have not provided security for the Loan must procure that the Mortgagor observes and performs the obligations set out in these terms and must comply with any special conditions in the Offer.**

### **9 Security**

- 9.1 By entering into the mortgage, the Mortgagor has given us security over the Property to protect us in case you do not keep to your obligations under these Terms, the Offer and any other document which sets out the agreement between us 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 the 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.

### **10 Dealing with the Property**

- 10.1 There are certain actions that the Mortgagor must take, or must not take, in relation to the Property. The Mortgagor must:
- (a) keep the Property in a good condition at all times and carry out any necessary repairs;
  - (b) ensure that any unfinished building or works on the Property are completed without delay and are carried out to the required standard;
  - (c) if the Property is leasehold, comply with all of the tenants' obligations under the lease;
  - (d) pay all existing and future rents, taxes, outgoing and rent charges affecting the Property;
  - (e) send to us a copy of any notice or other document affecting the Property within 14 days of receiving it from:
    - (i) a landlord (if the Property is leasehold);
    - (ii) a rent charge owner (if the Property is subject to a rent charge);
    - (iii) anyone claiming a legal right over the Property;
    - (iv) any government department, local or other authority;
    - (v) a commonhold association (if the Property is commonhold);
  - (f) allow us, our employees, or agents to enter the Property after giving 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 the Mortgagor to comply with these Terms;
  - (g) tell us before they 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, for example, if they do not live in the Property for a certain period. The Mortgagor cannot accept any such loan or grant unless we agree in writing;
  - (h) not knowingly take any action regarding the Property that is against any applicable law or regulation.
- 10.2 The Mortgagor 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.

### **11 Use and Occupation of the Property**

- 11.1 The Mortgagor must use the Property for residential purposes as a single private dwelling and 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 The Mortgagor must occupy the Property and 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.
- 11.3 We will not refuse to allow the Mortgagor to let the Property where the Mortgagor and the Property satisfy the conditions we reasonably require for letting of properties at that time.

## **12 Insuring the Property**

- 12.1 The 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, the Mortgagor must insure the Property and the following terms will apply:
- (a) the Mortgagor must maintain a comprehensive policy against all usual house insurance risks. 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) the Mortgagor will tell the insurer of our interest in the Property as mortgagee and will arrange for our interest to be noted on the policy;
  - (c) the Mortgagor will give us proof of payment of the premiums if we ask for this.
- 12.3 If the Mortgagor fails 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;
  - (b) we will do so at the Mortgagor's expense and you will pay the charges we impose under Term 6.3(c) for making good the Mortgagor's failure to insure.
- 12.4 If the Property is leasehold or commonhold and the terms of the lease or the commonhold community statement 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 the Mortgagor, provided that:
- (a) The Mortgagor tells the insurer of our interest in the Property as mortgagee and arranges for our interest to be noted on the policy;
  - (b) we or our legal advisers have approved the policy and confirmed that the insurance is in force; and
  - (c) The Mortgagor must do their 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 The Mortgagor 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 the Mortgagor's 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 the Mortgagor or us), we may receive any money paid out under the claim or, if you receive it, you must hold it in 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 Action We May Take

- 13.1 We may take any of the steps specified in Term 13.2 of the mortgage terms if you have become obliged to pay us the Outstanding Balance immediately under Term 5.1 of the loan terms. 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, he or she would act for the Mortgagor and in their name (not us) and you would have to pay his or her fees.
- 13.2 We or any receiver may do the following to protect our position as Lender and safeguard the Property as security for the Loan:
- (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 reasonably obtainable 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 are reasonable in the circumstances;
  - (e) sell any freehold or leasehold reversions created as a result of letting or subletting the Property under paragraph (d) above; and
  - (f) where the Property has been let or sublet under paragraph (d) above, exercise, on the Mortgagor's behalf and without having to give the Mortgagor prior notice or obtain their consent, all the powers and duties conferred on a landlord by legislation in force at the time.
- 13.3 If we, or a receiver appointed by us, take possession of the Property the Mortgagor 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.
- 13.4 If any furniture or moveable items are not removed within 7 days then the Mortgagor agrees that we or the receiver may:
- (a) deal with them as the Mortgagor's agents and at the Mortgagor's expense;
  - (b) sell or otherwise dispose of anything which belongs to the Mortgagor, in which case we (or the receiver) will give the Mortgagor any proceeds received less all reasonable expenses of the sale; and
  - (c) remove and store anything which we know does not belong to the Mortgagor.
- 13.5 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 his or her place.
- 13.6 A receiver may charge any amount for his or her 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 the Mortgagor's agents and you will also be responsible for their fees so long as they are reasonable.
- 13.7 The Law of Property Act 1925 sets out certain rules in relation to the appointment of a receiver and the enforcement of security. It is typical for a mortgage lender to disapply certain of those rules and we do that as set out below:
- (a) Section 109(8) of the Law of Property Act 1925 is amended to allow a receiver to use any money received by him or her to repay any money owing by you in such order of priority (not being an order which is in conflict with Term 1.10) as we and the receiver reasonably agree, rather than a specific order set out in those rules;



- (b) Sections 99, 100 and 103 of the Act set out some specific powers in relation to dealing with a Property, but we or a receiver are able to dispose of the Property in any way that we see fit provided that we or they act reasonably and do not breach these Terms.

Please ask your legal adviser if you require further information

#### **14 Power Of Attorney To Act On Your Behalf**

- 14.1 We and any receiver appointed over the Property may need to take certain action (including signing documents) on the Mortgagor's behalf to protect our security. The Mortgagor therefore appoint us and any receiver appointed over the Property to be their attorney to take such action where necessary. This means we and any receiver appointed over the Property are legally entitled to act on the Mortgagor's behalf. We are appointed for as long as the mortgage remains in force securing any money you owe to us.
- 14.2 If there are two or more Mortgagors then you agree that we and any receiver will be attorney for each of the Mortgagors individually as well as for all of the Mortgagors jointly.
- 14.3 Each Mortgagor gives us a power of attorney authorising us and any receiver to act on their behalf to take any action which they 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 their title to the Property or in the mortgage;
  - (b) transferring their share or interest in any residents' society or management company, or their legal or beneficial interest in the freehold or leasehold reversion of the Property when we exercise our powers as mortgagee to sell or lease the Property;
  - (c) entering into any variation of their title to the Property in order to protect or enhance our security; and
  - (d) settling any claim made by their landlord, management company or commonhold association (if their Property is leasehold or commonhold) or rent charge owner (if the Property is subject to a rent charge) if we think it reasonable for us to settle it in order to protect our security or maintain its value, even though the Mortgagor may dispute the sum claimed.

#### **15 Compensation from Third Parties**

- 15.1 The Mortgagor 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 the Mortgagor to accept the Property or the title to it in a damaged or defective condition.
- 15.2 If the Mortgagor recovers money or damages pursuant to Term 15.1 above, they 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

### 16 Joint Borrowers

If there is more than one of you:

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

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

### 17 Transferring the Mortgage and the Outstanding Balance

17.1 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 at law or in equity on such terms as we may decide and without your consent.

17.2 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 these Terms will continue for the benefit of the transferee.

17.3 You agree that we may at any time transfer all or some of our obligations under the mortgage (including these Terms) and the 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.

17.4 If we take any of the steps described in Terms 17.1 or 17.3:

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

17.5 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 the Offer:

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

17.6 You may not assign your rights or obligations under these Terms or the Offer.

## 18 Notices

- 18.1 We may give you notice under these Terms by writing to you personally either:
- (a) by post to your last known address (which unless you have told us otherwise will be the Property); or
  - (b) by electronic communication to any number or email address you have given us for this purpose.
- 18.2 Any notice given by us under Term 18.1 will be considered as received by you as follows:
- (a) Post: The second working day after date of posting (regardless of class of post).
  - (b) Email: The day the email is sent.

## 19 Other Terms To Be Aware Of

- 19.1 All communications between us may be monitored or recorded to improve the quality of our service and for your protection and security.
- 19.2 We will supply these Terms and otherwise communicate with you in connection with your Loan in the English language.
- 19.3 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.
- 19.4 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.
- 19.5 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.
- 19.6 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;
  - (c) reflect changes to the law, codes of practice or the way we are regulated.

We will give you not less than 14 days' personal notice under Term 18 of any change to these Terms which we make under the present Term.

- 19.7 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 17.1 may enforce any rights under these Terms or the Offer under the Contracts (Rights of Third Parties) Act 1999.
- 19.8 These Terms are governed by the laws of England and Wales.

## 20 Complaints

- 20.1 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.
- 20.2 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.

- 20.3 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.
- 20.4 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.
- 20.5 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.
- 20.6 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 <http://www.financial-ombudsman.org.uk> or via post at The Financial Ombudsman Service, Exchange Tower, London E14 9SR.
- 20.7 If you're unhappy with our final response to your complaint, you can ask the FOS for an independent review.
- 20.8 For a full outline of our complaints procedures and how to make a complaint, please go to our website at [www.vidahomeloans.co.uk](http://www.vidahomeloans.co.uk).

## 21 Data Protection

- 21.1 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](http://www.vidahomeloans.co.uk/intermediaries/documents)
- 21.2 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 term of this agreement 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](mailto:info@vidahomeloans.co.uk)**



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

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