

Residential

Mortgage and Loan Terms & Conditions 2024 (Scotland)



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Vida Homeloans: Residential Mortgage and Loan Terms and Conditions (Scotland)

This booklet contains the terms and conditions which apply to your Loan and mortgage 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 solicitor.

This booklet is split into four sections, beginning with the definitions followed by the three parts summarised below, and should be read alongside your Offer and any other document which sets out the agreement between us and you for your Loan:

Definitions and Interpretation This section sets out the special meaning of certain words used in these Terms, the Offer and any other document which sets out the agreement between us and you for your Loan.

Part 1 (Loan Terms) This part, 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 payment dates, interest rates and charges.

Part 2 (Mortgage Terms) This part sets out the terms applicable to the security we have taken over your Property, including your obligations in relation to looking after your Property and what we may do with your Property if you do not make the payments due or adhere 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 part 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 your Loan made on the 'repayment' basis and payments of interest only in relation to the part of your Loan made on the 'interest only' basis. You will still have to repay all of the Capital representing the part of your 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 your 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 your Property.</p>
More than one borrower	<p>If you are borrowing jointly with someone else each of you together and each of you individually are liable for the full amount owing under your Loan. This means that we can pursue the full amount owing against each of you individually.</p>
Interest	<p>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.</p> <p>The overall cost of your Loan will increase if we increase the Interest Rate and we will normally increase your monthly payments to recover the extra interest.</p> <p>If your Offer states that your Interest Rate will be a fixed rate, we will not vary the Interest Rate during any period in which your Interest Rate is stated to be fixed.</p>

If your Offer states that your Interest Rate will be a tracker rate, it will be calculated by reference to an Externally Set Interest Rate. The Interest Rate will vary in line with our quarterly review of such Externally Set Interest Rate. We will apply any increase or decrease (subject to Term 4.3 of the Loan Terms) in the applicable Externally Set Interest Rate to your mortgage with effect from the first day of the following month.

If your Offer states that your Interest Rate will be a variable rate, it will be calculated by reference to the VVR. The Interest Rate will vary in line with changes in the VVR, We can vary the VVR at any time for any of the reasons set out in Term 4.4 of the Loan Terms.

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 your Loan 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 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.

Charges

We will charge you if you ask us to provide services under your 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 Terms and is available on our website currently at 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 the Loan Terms.

Property obligations

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

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

The Mortgagor 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 your Property if it is destroyed or damaged. If the Mortgagor fails to insure your Property we may do so and where we do this, you will be responsible for repaying the premiums to us. (Special terms apply where your Property is leasehold 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 can take certain action in relation to your Property if you fail to meet your obligations. These actions are set out in Term 13 of the Mortgage Terms. They include repossessing your Property and selling it.

Transferring your Loan and mortgage

We may transfer and/or assign our interest in your Loan and/or mortgage (including the security over your Property) to another person in accordance with Term 17 of the General Terms.

Definitions and Interpretation

- A.** Certain words used in this booklet and (except where indicated otherwise) your Offer and any other document which sets out the agreement between us and you for your Loan 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 were 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.

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

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.

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 your mortgage 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 interest rate which is not set by us but is set by an official body or generally recognised process (such as the Bank of England Base Rate or SONIA) which is stated by your Offer to be used as a reference for calculating the Interest Rate for your Loan or, in accordance with Term 4.3, such other publicly available rate that is applicable instead of such externally set interest rate.

Financial Crime means any conduct which is an offence in the United Kingdom, even if it doesn't take place in the United Kingdom, and/or a breach of economic or trade sanctions which has, or is likely to, generate any economic benefit for you or an associate, or to directly or indirectly finance terrorism.

General Terms means the terms set out in Part 3.

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

Loan means the amount of money we have lent to you or may lend to you on the security of your Property, as stated in your Offer.

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

Loan Terms means the terms set out in Part 1.

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

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

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

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).

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

Regulatory Requirement means any obligation:

- (a) on us under any law or regulation (including the Financial Services and Markets Act 2000 and any rules made by the Financial Conduct Authority or other regulator) or as a result of a decision by a court, ombudsman or similar body; or
- (b) under industry guidance or codes of practice which apply to us.

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. The Tariff sets out the current amount of the standardised charges which we may apply 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 (currently www.vidahomeloans.co.uk).

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

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 your Property a report and valuation of that Property prepared by a valuer, addressed to us and stating the value of the Property.

VVR means a variable rate of interest set by us, and referred to by us, as the "Vida Variable Rate" or "VVR" in relation to a Loan. Term 4.5 indicates when that rate of interest is used to calculate the Interest Rate for your Loan and sets out information on how, and in what circumstances, we may vary the VVR.

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

- B.** If at any time more than one Loan is owing from you under your agreement with us, 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 your Offer (or any changed term which is later agreed between you and us in writing), you must repay your 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 your Loan is advanced to you and will be due on the day of the month which corresponds to the date your Loan was made, except that, if your 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 your 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 unless we have previously agreed in writing to accept payments by another means due to exceptional circumstances.
- 1.4. Not more than five days after the day on which we make your Loan, we will write to tell you the interest which is payable on your 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 your 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 your 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(f) 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 your 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 your 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 your 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) a change to the amount of any Loan is agreed between you and us in writing;
 - (e) we have applied, changed or cancelled any arrangement previously agreed between you and us providing for delayed payment of any sum due;
 - (f) 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
 - (g) 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 sell your 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 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 your 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 your 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.

- 3.3. Interest will be calculated on the basis of the number of days elapsed in a 365 day year.

4. Changing the Interest Rate

- 4.1. Your Offer will set out the type of Interest Rate you have.
- 4.2. During any period in which the Interest Rate is stated to be fixed, we cannot vary that Interest Rate.
- 4.3. Where the Interest Rate is stated to track an Externally Set Interest Rate, we will review and calculate the Externally Set Interest Rate quarterly, shortening it to two decimal places. Following such quarterly review, that Interest Rate may increase or decrease and we will apply any increase or decrease to your Loan with effect from the first day of the following month in a way that is aligned to movements in the applicable Externally Set Interest Rate. However, if the applicable Externally Set Interest Rate is less than 0.10% at any time, we shall deem such Externally Set Interest Rate to be 0.10%.

If for any reason we reasonably decide that it is not practicable for us to determine the relevant Externally Set Interest Rate upon a quarterly review, that Externally Set Interest Rate will be such other publicly available rate which we reasonably decide is a comparable rate at that time.

- 4.4. In all other cases, the Interest Rate will be a variable rate, calculated by reference to the VVR as stated in your Offer. Upon a change to the VVR, the Interest Rate may increase or decrease and we will apply that increase or decrease to your Loan. We may reduce the VVR 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 VVR at any time to respond proportionately to any one or more of the following:

- (a) a change in our costs of funding our lending (this may include, for example, where the interest rates on the money we borrow to fund our lending, such as any Externally Set Interest Rate, increase, or where the interest rates we pay to our customers that deposit money with us increase);
- (b) a change in the law, codes of practice or the way we are regulated; or
- (c) a change 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).

4.5. We will give you notice in accordance with Term 18 of any increase in the Interest Rate either before or, in the case of a variable rate calculated by reference to the VVR or tracker rate calculated by reference to an Externally Set Interest Rate, as soon as possible after, the increase is to take effect.

4.6. 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 your Loan you may have to pay an early repayment charge and any other charge which applies under your Offer and any other document which sets out the agreement between us and you for your Loan.

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 require 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 fail to pay any amount due to us at the end of the term of your Loan;
- (c) 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 and security set out in your Offer, these Terms or any other agreement between you and us;
- (d) any confirmation or statement made by you in relation to any Loan or any other document delivered to us under or in connection with your Loan (including but not limited to your application form in respect of your Loan) is incorrect or misleading when made or deemed to be made;
- (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) any steps are taken to enforce any encumbrance over all or part of your assets;
- (g) any diligence, execution or similar process affects your assets and is not discharged within 10 days;
- (h) it becomes unlawful for you to perform any of your obligations to us including under any document delivered to us under or in connection with your Loan;
- (i) any of your obligations under any document delivered to us under or in connection with your Loan ceases to be legal, valid, binding or enforceable;
- (j) any security provided to us over your Property ceases to be in full force and effect or ceases to be legal, valid, binding, enforceable or effective;
- (k) you have a bankruptcy order made against you or we reasonably think that one is likely to be made, or your estate is sequestrated or we reasonably think that it is likely to be sequestrated;

- (l) 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;
 - (m) any building forming part of your 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 your Property has materially decreased or will materially decrease;
 - (n) your Property is compulsorily acquired (for example, a local authority forces you to sell your Property to them);
 - (o) your Property has been abandoned;
 - (p) you die or cease to have mental capacity to enter into valid contracts under Scots law or, in the case of joint borrowers, the last one of you dies or ceases to have mental capacity to enter into valid contracts under Scots law; or
 - (q) any event occurs or circumstances arise due to the operation of the law, codes of practice, the way we are regulated or any order of a court, that we conclude in our reasonable opinion necessitates the ending of our relationship with you.
- 5.2. If you do not repay the Outstanding Balance when requested and we obtain a court judgment or decree against you for that amount or part of it, you will pay interest on the amount of that judgment or decree 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 your 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 your Loan or your mortgage; or
 - (v) give you or anyone authorised by you any assistance or information in connection with your Property, your Loan or your mortgage;
 - (b) **Legal costs:** Before the first Loan is made we will ask you to provide security over your Property to secure your Loan and any future Loans. You will be responsible for paying the charges we make to cover the legal costs of any solicitor who undertakes our legal work in relation to your mortgage. Your Offer will state whether you are paying the whole or part of the legal costs involved in setting up your mortgage and making your first Loan.

If, for any reason, you do not go ahead with your 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 or enforce 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 your mortgage (this applies whether or not you are a party to the proceedings);
 - (ii) obtaining a valuation of your 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 your Property or checking that any insurance of your 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 may 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 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 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 in the costs to us of providing your Loan and the services and facilities provided 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 in the costs to us of providing your Loan and the services and facilities provided 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 (currently 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) Where overpayments are made during a period in which early repayment charges apply to your 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) 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 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 security registered against your 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. In the absence of an express provision in your Offer, you are not entitled to port.
- (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 your mortgage of the other property without any change to the Interest Rate or other terms which apply to your 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 move to another property. Any additional lending you require as a result of moving may be offered to you on our business terms which are current at the time (which, for the avoidance of doubt, we are not obliged to do) and you will be subject to a credit assessment and other criteria in respect of any additional loan requested.
- (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/or 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 your Loan must procure that the Mortgagor observes and performs the obligations set out in these terms and must comply with any special conditions in your Offer.

9. Security

- 9.1. By entering into the security, the Mortgagor has given us security over your Property 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 your 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 your Property and the restrictions which apply to the way you can deal with your 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 and/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 security has been paid.

10. Dealing with the Property

- 10.1. There are certain actions that the Mortgagor must take, or must not take, in relation to your Property. The Mortgagor must:
 - (a) keep the Property in a good condition at all times and carry out any necessary repairs;
 - (b) comply with all undertakings, 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) anyone claiming a legal right over the Property;
 - (iii) any government department, local or other authority; and
 - (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 or inspection 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;
 - (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, 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; and
 - (i) 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 agreement first:
- (a) transfer, assign, mortgage, charge, obtain an extended lease of or otherwise deal with or give away your Property;
 - (b) accept the surrender of any lease or tenancy of your Property;
 - (c) alter or extend your Property.
- 10.3. We may instruct a valuer to value and inspect your Property and provide us with a Valuation Report at any time.
- 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 your 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. The Mortgagor must use your Property for residential purposes as a single private dwelling and must not change the use of your Property or allow your Property to be used for a trade or business, without first getting our agreement in writing.
- 11.2. The Mortgagor must occupy your Property and must not, unless we have agreed in writing, grant or agree to grant or renew any lease or tenancy of your Property or give to any person any contractual or other licence or right to occupy or live in your Property.
- 11.3. We will consider any request by the Mortgagor to let your Property in accordance with the conditions we may reasonably require for letting of properties at the time any request is made.

12. Insuring the Property

- 12.1. Your Property must be covered by buildings insurance.
- 12.2. Except where your Property is insured in accordance with Term 12.4, the Mortgagor must insure your Property and the following terms will apply:
- (a) the Mortgagor must maintain a comprehensive policy against all usual house insurance risks with a reputable insurer. 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 your Property, including clearing the site and paying all fees and expenses. The amount insured under the policy must be enough to put your Property back to its original state following any amount of damage or destruction;
 - (b) the Mortgagor will tell the insurer of our interest in your Property as secured creditor and will arrange for our interest to be noted on the policy; and
 - (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 your 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 your Property; and

- (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 your Property is leasehold and the terms of the lease provide for your Property to be insured by a third party (for example, the landlord), then your Property will not need to be separately insured by the Mortgagor, provided that:

- (a) the Mortgagor complies with the terms of the lease;
- (b) the Mortgagor tells or ensures that the landlord tells the insurer of our interest in your Property as secured creditor;
- (c) we or our solicitor have approved the policy and confirmed that the insurance is in force; and
- (d) the Mortgagor must do their best to ensure that your Property remains insured against all risks detailed in Term 12.2(a) above and for the cost of full reinstatement of your 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 your 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 the Mortgagor receives it, they or you must hold it on trust on our behalf and keep it separate from their or your other funds. We will use any money paid under the insurance policy to rebuild or repair your 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 if you have become obliged to pay us the Outstanding Balance immediately under Term 5.1.

13.2. We may do the following to protect our position as Lender and safeguard your Property as security for the Outstanding Balance:

- (a) generally manage your 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 your Property and take any action or proceedings necessary to do so;
- (c) sell your Property (whether or not we have taken possession) for a price and on such terms as we may think fit;
- (d) let or sublet your Property and vary, renew, terminate, surrender or accept surrenders of leases, tenancies or licences over your Property for a price and on such terms and for such rent and payment as we think fit;
- (e) where your 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 your consent, all the powers and duties conferred on a landlord by legislation in force at the time;
- (f) exercise all the statutory powers of a secured creditor pursuant to the Conveyancing and Feudal Reform (Scotland) Act 1970; and
- (g) exercise all such powers and do all necessary actions which are conducive or incidental

to the powers above.

- 13.3. If we take possession of your Property the Mortgagor must remove all furniture and other moveable property (personal items) from your Property within 7 days and must not remove any fixed items from your 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 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 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.

Please ask your solicitor if you require further information.

14. Power Of Attorney To Act On Your Behalf

- 14.1. We may need to take certain action (including signing documents) on the Mortgagor's behalf to protect, improve or rectify our security. By execution of the security, the Mortgagor therefore appoint us to be their attorney to take such action where necessary. This means we are legally entitled to act on the Mortgagor's behalf. We are appointed for as long as the security remains in force securing any money you owe to us.
- 14.2. If there are two or more Mortgagors then you/they agree that we 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 to act on their behalf to take any action which is consistent with their obligations under these Terms or the Offer, including but not limited to:
- (a) signing and completing any document which is needed to make good any defect in their title to your 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 your Property when we exercise our powers as secured creditor to sell or lease your Property;
 - (c) entering into any variation of their title to your Property in order to protect, improve, rectify or enhance our security; and
 - (d) settling any claim made by their landlord or management company (if their Property is leasehold) if we think it reasonable for us to settle it in order to protect, improve or rectify 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 your Property or the title to it; or
 - (b) for any breach of contract or wrongful act or omission which may have caused damage to your Property or to the title to it or caused the Mortgagor to accept your 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 must use the money or damages recovered either towards making good the damage or defects or towards payment of the money secured by the security.

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; and
- (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 a Loan and/or Mortgage

17.1. We may sell, transfer, assign, charge or otherwise dispose of our interest, rights, powers and/or remedies (in whole or in part) in relation to your Loan and/or your mortgage (including the security over your Property) to another person at any time on such terms as we may decide and without your consent.

17.2. A transferee and/or assignee of your Loan and/or mortgage will be able to exercise all the rights, powers and remedies in connection with such Loan and/or mortgage.

17.3. You agree that we may at any time transfer all or some of our obligations under your Loan and/or your mortgage (including these Terms) and your Offer to another person on such terms as we may decide and without your consent. 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, as applicable, such Loan and your mortgage (including these Terms) and your Offer; and
- (b) it will not reduce any guarantees you have under or by virtue of, as applicable, such Loan and your mortgage (including these Terms) and your Offer.

17.5. We may disclose the following to any person who takes, or is considering taking, a transfer, assignment, assignation, charge or other disposal of all or part of our interest in, or any of our rights, powers and/or remedies (in whole or in part) under or in respect of, your Loan and/or your mortgage, or who takes, or is considering taking, a transfer of all or some of our obligations under your Loan and/or your 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 your Property, your Offer, your Loan, your mortgage or any other security we hold in respect of your Loan, 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.

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

18. Your Address and Notices

- 18.1. You must inform us within 7 days if you change your address after the date of provision of any Loan or mortgage whilst there is an Outstanding Balance.
- 18.2. If at any point during the term of your Loan you no longer reside in the same jurisdiction as at the date of provision of any Loan or mortgage we may:
 - (a) obtain a legal opinion from solicitors in your new jurisdiction of residence on the regulatory status of our lending activities. We will pass on our reasonable costs of obtaining this opinion to you;
 - (b) be unable to continue to lend to you where it is unfeasible due to the laws which apply in the place you now reside; and
 - (c) therefore require you to repay your Loan and if we do so, you must repay your Loan to us immediately.
- 18.3. If we are permitted to continue to lend to you, you may not be able to request any changes to the terms of your Loan.
- 18.4. We may give you notice under these Terms by writing to you either:
 - (a) by post to your last known address (which unless you have told us otherwise will be your Property); or
 - (b) by electronic communication to any number or email address you have given us for this purpose.
- 18.5. Any notice given by us under Term 18.4 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 or other electronic communication:** the day and time the email or other electronic communication 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) as a consequence of the introduction of a new service;

- (c) change the way we look after your account as a result of changes in the banking or financial system, technology or the systems we use to run our business; or
- (d) reflect changes to the law, codes of practice or the way we are regulated.

We will give you not less than 28 days' notice under Term 18 of any change to these Terms.

- 19.7. No person other than a party to your mortgage or a person who takes a transfer of our interest in your mortgage or the Outstanding Balance under Term 17.1 may enforce any rights under these Terms or your Offer under the Contract (Third Party Rights) (Scotland) Act 2017.
- 19.8. We may take any action, or decline to act, under these Terms to meet any Regulatory Requirement relating to or in connection with the detection, investigation and prevention of Financial Crime.
- 19.9. Unless provided by law, we will not be liable to you or any other party in respect of any loss caused by us acting, or declining to act, in compliance with any Regulatory Requirement relating to Financial Crime.
- 19.10. These Terms, your Offer and any other document which sets out the agreement between us and you are governed by the laws of Scotland and shall be subject to the exclusive jurisdiction of the courts of Scotland.

20. Complaints

- 20.1. We understand that things don't always go to plan, and 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 able to resolve your complaint by the end of the third business day after we've received your complaint, we will send you a letter known as a summary resolution communication. If we have been unable to do that by the end of the third 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 eight 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 may be eligible to 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 (currently 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 currently available at www.vidahomeloans.co.uk/docs/default-source/information-for-your-customers/use-of-personal-information-statement.pdf).

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

Vida Homeloans is a trading name of Vida Bank Limited, registered in England and Wales with company number 09837692 with its registered office at 1 Battle Bridge Lane, London, SE1 2HP. Vida Bank Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority with Financial Services Register Firm Reference Number 738741.