



The Cambridge Building Society

Mortgage Terms and Conditions 2020

Effective from 1st January 2020

These terms are applicable to borrowers who've received:

- a residential Mortgage Offer from 1st January 2013 onwards; or
- a Buy to Let, Shared Equity or Commercial Mortgage Offer from 1st February 2016 onwards



**THE
CAMBRIDGE**
Building Society

cambridgebs.co.uk



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Introduction

This booklet sets out the **Conditions** that you accept when you sign your **Mortgage Deed**. It should be read in conjunction with your **Mortgage Offer**.

If you have any queries about these **Conditions**, please ask us or your solicitor or conveyancer.

You should keep this booklet in a safe place in case you want to check the **Conditions** that apply to your **Mortgage**.

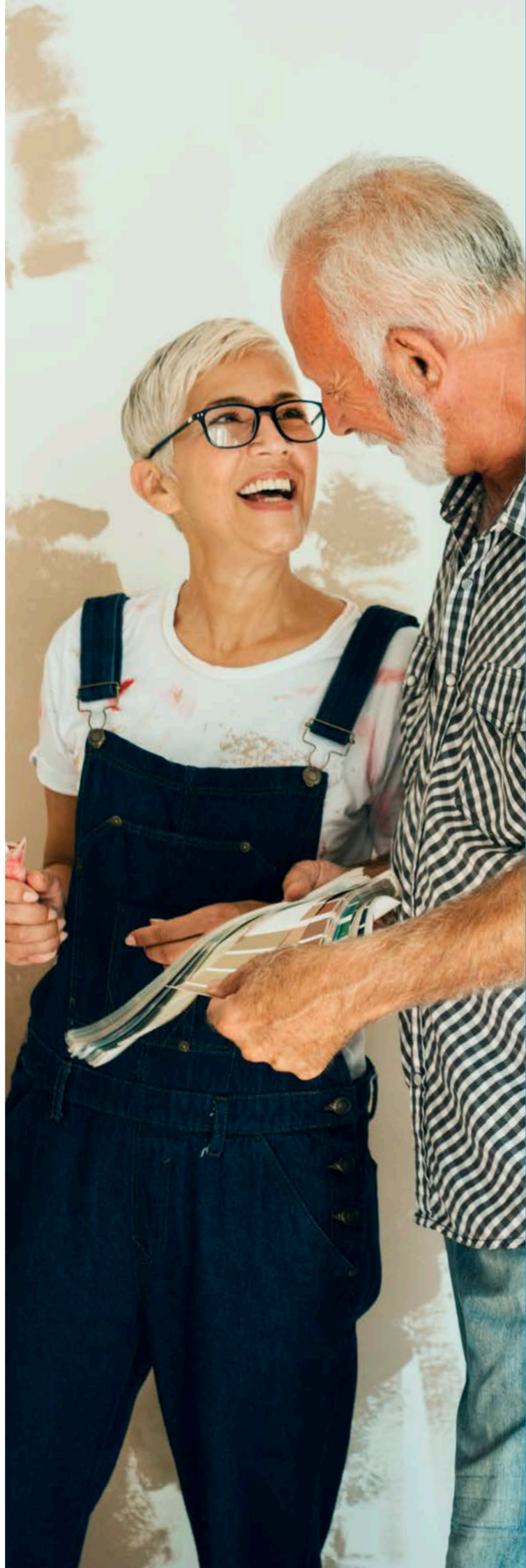
Membership rights

When your **Mortgage** completes, you automatically become a member of the **Society** and you will be bound by the **Society's Rules**. You can get a copy of the **Rules** by asking at any of our branches or by viewing them on our website. The day your mortgage completes is also known as the **Completion Date**. The meaning of **Completion Date** can be found in **Condition 2.3**.

The first named applicant in the mortgage application form will have borrowing membership rights. He or she is known as the representative joint borrower. If you wish to change the person who is the representative joint borrower, you can do so by writing to us. The change will take effect when the Society's records are changed (and we will try to make the change as soon as practical after you notify us).

The name provided in the mortgage application form must be in the same form as on any other account held with the Society to ensure that the Society does not provide duplicate mailings to you. Any previous error or discrepancy should be notified to the Society as soon as possible.

Membership will cease if the Society exercises its power of sale or takes possession of the **Property**, and may cease if the Society transfers the **Mortgage** under **Condition 21**.



Explanation of terms in these conditions

We have set out a summary of some of the key **Conditions** below. It is a summary only and it is important that you read and consider all of the **Conditions**, along with your **Offer** and any other documents we have provided.

Monthly Payments

It is important that you pay to us the **Monthly Payment** set out in your **Mortgage Offer** (or as amended under these **Conditions**) on time.

If your **Loan** is a capital repayment loan, your **Monthly Payments** will consist of repayments of capital and **Interest**.

If your **Loan** is an interest-only loan, your **Monthly Payments** will consist only of **Interest**, and you will still have to repay the capital **Loan** amount at the end of the **Mortgage Term**.

Your **Mortgage** may consist of different **Mortgage Parts**. One **Mortgage Part** may be on a capital repayment basis, and another **Mortgage Part** may be on an interest-only basis.

If all or part of your **Loan** is made on an interest-only basis, it is very important that you make arrangements to repay the capital **Loan** amount at the end of the **Mortgage Term** and regularly check to ensure that you will be in a position to do so. If you do not repay the **Total Debt** at the end of the **Mortgage Term**, we may take court proceedings against you which could result in repossessing and selling the **Property**.

Interest

We will charge **Interest** on the **Loan** amount you have borrowed at the rate specified in your **Mortgage Offer** as applicable. The interest rate may be a fixed rate or a variable rate.

If the interest rate is a fixed rate, the rate will not change during any period of time that the interest rate is stated to be fixed in your **Mortgage Offer**.

If the interest rate is a variable rate, we can vary the interest Rate for any of the reasons set out in **Condition 8.7**.

It is important that you are able to afford to make your **Monthly Payments** if the 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 **Fees** if you repay part, or all, of your **Loan** in full before the end of the **Mortgage Term**. The details of these **Fees** will be set out in your **Mortgage Offer**.

Immediate Repayment

In certain circumstances we can ask you to repay the **Total Debt** immediately (for example, if you fail to pay an amount equal to two or more **Monthly Payments**, or you fail to comply with your obligations under the **Mortgage**). The full set of circumstances in which we may do this are set out in **Condition 14**.

Charges

We may charge **Fees** in relation to the operation of your account and for providing any service in connection with the **Mortgage**, and you must also reimburse us for all reasonable **Costs** that we incur because you fail to comply with your obligations.

Our current list of standard charges (**Tariff of Mortgage Charges**) is provided to you with these **Conditions** and is available on our website.

We can change **Fees** or introduce new **Fees** for the reasons set out in **Condition 13.8**.

Property obligations

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

It is important that the **Property** is kept in a good state of repair. **Condition 10** sets out your obligations in relation to maintaining the **Property**, such as completing building work. You must also obtain our permission before you carry out certain actions in relation to the **Property**, such as altering it or letting it to a tenant.

You must insure the **Property** against the usual risks to a **Property** for an amount that is sufficient to fully re-instate the **Property** if it is destroyed or damaged, in accordance with **Condition 11**. If you fail to insure the **Property** we may do so and you will be responsible for paying or reimbursing us for the cost of the premiums.

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 **Conditions 9, 12 and 15** and include repossessing and selling the **Property**.

Transferring the Loan and Mortgage

We may transfer our interest in the **Mortgage** and the **Loan** to another person in accordance with **Condition 21**.



1. About these conditions

These **Conditions**, when read with your **Mortgage Offer**, set out the terms that govern your **Mortgage**.

2. Meanings of particular words and phrases

- 2.1 In these **Conditions**, some words and phrases have particular meanings. These words and phrases appear in bold print and start with a capital letter and their meanings are set out below.
- 2.2 **Borrower** means the person or persons named as the borrower in the **Mortgage Deed** and includes their personal representatives. If two or more people are the **Borrower**, then **Borrower** means all of them together and each one of them separately.
- 2.3 **Completion Date** means the date on which we release funds for the **Loan**; that is to say, the day we post a cheque, or make an electronic transfer of money, to you or your solicitor or conveyancer, or to any other person on your behalf.
- 2.4 **Conditions** means these mortgage terms and conditions and a **Condition** means any one of them.
- 2.5 **Costs** means all **Costs** and expenses we incur, as set out in **Condition 13**.
- 2.6 **Fee** means any **Fee** we charge under **Condition 13.1**. We may make changes to **Fees** or introduce new **Fees**, details of how and when we can do this are set out in **Condition 13.8**.
- 2.7 **Guarantor** is any person who has agreed to guarantee your obligations under the **Mortgage**, and includes the **Guarantor's** personal representatives.
- 2.8 **Interest** means interest at the rate that applies to your **Mortgage** as specified in the **Mortgage Offer** and calculated in accordance with **Condition 7**. The rate of **Interest** may vary from time to time in accordance with **Condition 8**.
- 2.9 **Life Policy** means an endowment policy or other life assurance policy.
- 2.10 **LPA** means the Law of Property Act 1925.
- 2.11 **Loan** means any money which we lend to you under the **Mortgage Deed** or any other loan facility. It includes further **Loans** made after the date of the original **Loan**. In releasing any **Loan** money to you, we do not guarantee that either the price or condition of the **Property** is reasonable. You must satisfy yourself on these points.
- 2.12 **Month** means a calendar month.
- 2.13 **Monthly Payment** means the amount which you must pay each **Month** on the **Payment Day**. Your initial **Monthly Payment** will be shown on your **Mortgage Offer**. In certain circumstances we may change the **Monthly Payment** in accordance with **Condition 5.3**, we will notify you when we do this.
- 2.14 **Mortgage** means the entire legal agreement under which we agree to make a **Loan** to you and includes the **Mortgage Deed**, these **Conditions**, and your **Mortgage Offer**. If we have agreed to make more than one **Loan** to you, the **Mortgage** includes the terms and conditions of each **Mortgage Offer**.
- 2.15 **Mortgage Account Fees and Charges** (also known as **Tariff of Mortgage Charges**) means a list of standard charges that apply to your **Mortgage**. You can view the **Mortgage Account Fees and Charges** on our website or by visiting one of our branches. We may make changes to the charges set out in the **Mortgage Account Fees and Charges** or apply new charges, details of how and when we can do this are set out in **Condition 13**.
- 2.16 **Mortgage Deed** means any deed of legal charge that you sign which creates our security over the **Property** for the **Loan** and which says that these **Conditions** are incorporated in it.
- 2.17 **Mortgage Offer** means our written offer of a **Loan** to you, including any terms and conditions referred to in it. Your **Mortgage Offer** may consist of more than one document.
- 2.18 **Mortgage Part** means any separate element of the **Mortgage**. **Mortgage Part** numbers will be specified in your **Mortgage Offer** or annual mortgage statement.
- 2.19 **Mortgage Term** means the period of time during which you agree to repay the **Loan** to us as specified in your **Mortgage Offer**.
- 2.20 **Other Rights** means:
- any rights to which you may become entitled in respect of the **Property**, including:
 - compensation or other money received or receivable in respect of damage caused to the **Property** or because it (or any part of it) has reduced in value, or been compulsorily purchased;
 - any agreement, option, right of pre-emption, guarantee or indemnity relating to the **Property** or its construction, state or condition;

- (iii) any share in or rights of membership in a management company, or tenants' or residents' association;
 - (iv) the benefit of any right to obtain the improvement of, or any payment in connection with, any roads, sewers, drains and other services or amenities;
 - (v) any policy providing insurance against title defects or adverse rights; and
- b) any other benefits which you may have or receive in respect of the **Property**, but not including money or grants payable to you in respect of maintenance or improvement or any money from the insurance which is dealt with in **Condition 11**.
- 2.21 **Payment Day** means the day in each **Month** on which your **Monthly Payment** is due to be paid. We will notify you of the **Payment Day** in advance of your first **Monthly Payment** being due. When the **Payment Day** falls on a weekend or Bank Holiday, then payment will be taken on the next working business day. One payment must be made in each calendar month.
- 2.22 **Policy Owner** means you if you are the owner of any **Life Policy** that is to be assigned to, or deposited with, us in connection with the **Mortgage**. It also means any other person owning a **Life Policy** that is to be used in connection with the **Mortgage** and anyone who takes over a **Life Policy** and who is not the original **Policy Owner**.
- 2.23 **Property** means all the **Property** (or any part of it) described in the **Mortgage Deed**. It includes all fixtures and buildings of any kind (including fixtures and buildings added after the **Completion Date**).
- 2.24 **Repayment Strategy** means the method by which you have stated you will repay the capital amount outstanding by the end of your **Mortgage Term** if you have an interest-only loan, a description of which is set out in **Condition 5.2.b**.
- 2.25 **Rules** means the rules of The Cambridge which set out the rights and obligations attached to membership. You can get a copy of the **Rules** by visiting our website or on request. A booklet "Your rights as a building society member" is also available on request. **Total Debt** means the total amount you owe us under the **Mortgage**. It includes all **Loans, Interest, Costs** and **Fees**.
- 2.26 In these **Conditions**:
- a) "The Cambridge", "the Society", "we" and "our" refer to The Cambridge Building Society, and anyone who takes over the **Mortgage** from us.
 - b) "You" & "your" refer to the **Borrower** and anyone who takes over your responsibilities for the payment of the **Mortgage**. If there is more than one **Borrower** then all these **Conditions** apply equally to all of you and separately to each of you. This means that each of you is responsible on your own for the whole of the **Total Debt**, and not just a part or proportion of it.
 - c) Any references to Acts of Parliament include any changes made to them.
 - d) If you have more than one **Loan**, references to the **Loan** are references to each **Loan** considered separately and references to **Monthly Payments**, the **Mortgage Term** and the **Payment Date** mean the **Monthly Payments, Mortgage Term** and **Payment Date** which apply to the **Loan** in question, if they are different.
 - e) If there is any inconsistency between these **Conditions** and the **Mortgage Offer**, the terms of the **Mortgage Offer** will apply.
 - f) The headings in these **Conditions** are not to be taken into account in interpreting them.

3. Membership

- 3.1 You will automatically become a borrowing member of the Society when your **Mortgage** completes and you will be bound by the Society's **Rules**.
- 3.2 If we transfer the **Mortgage** under **Condition 21** and you cease to be a member of the Society, the **Rules** will cease to apply in respect of the **Mortgage**.
- 3.3 When you repay the **Total Debt** you will cease to be a borrowing member of the Society.

4. The Security

- 4.1 The security created by the **Mortgage Deed** is security for the **Total Debt** and will not be released until the **Total Debt** has been repaid in full.
- 4.2 If there are any other mortgages or charges registered in your name affecting the **Property** apart from ours, then, unless we have priority over them or we have agreed to them in writing, we may pay them off on your behalf. We will tell you when we intend to do this. You must repay to us any amounts we pay when we call on you to make payment. **Interest** on these amounts will be charged from the date we call for payment until you pay us.

5. Repayment

- 5.1 You must repay the **Total Debt** by the end of the **Mortgage Term**.
- 5.2 You must make **Monthly Payments** in order to repay your **Loan**.
 - a) If your **Loan** is a repayment loan, the **Monthly Payment** will be calculated so as to pay off the **Loan** and **Interest** and all other amounts you owe us under these **Conditions** by the end of the **Mortgage Term**.
 - b) If your **Loan** is an interest-only loan, the **Monthly Payment** will only cover the **Interest** on the **Loan**, and all other amounts you owe us under the **Mortgage** (including the **Loan** itself and any **Fees** and **Costs** that are added to the **Total Debt**) must be paid separately by you in accordance with your chosen **Repayment Strategy**, at the end of the **Mortgage Term**.
- 5.3 Your **Mortgage Offer** will tell you whether your **Loan** is repayment or interest-only. Your **Loan** may consist of different **Mortgage Parts**. It may be that one **Mortgage Part** is on a repayment basis and the other **Mortgage Part** is on an interest-only basis. **Monthly Payments** may be adjusted up or down to take account of any of the following:
 - a) changes in the rate of **Interest** in accordance with **Condition 8**;
 - b) changes to the amount of the **Total Debt**, including to take into account further loans made after the date of the original loan, **Fees** or **Costs** which have been added to the **Loan** or **Monthly Payments** which you have not paid to be rescheduled over the remaining **Mortgage Term** (where regulatory requirements permit this);
 - c) if there is a change to the **Mortgage Term** or repayment method of the **Loan** (e.g. from an interest-only loan to a repayment loan) that is agreed between us; or
 - d) the ending of any particular feature of the **Mortgage** (such as a fixed or discounted interest rate period).

If we change your **Monthly Payment** under this **Condition 5.3** we will notify you in advance of when the amended **Monthly Payment** is due.
- 5.4 The **Monthly Payment** is rounded to the nearest pence.
- 5.5 You should ensure that you have sufficient life insurance cover to repay the **Total Debt** due under the **Mortgage** in the event of your death.
- 5.6 **Interest** will continue to be charged until the **Total Debt** is repaid.
- 5.7 We will use any payments you make to us under the **Mortgage** in the following way:
 - a) First, we will use them towards payment of any arrears of **Monthly Payments**.
 - b) Next, any balance will be used towards payment of any **Interest** you owe and any outstanding **Costs** or **Fees**.
 - c) Next, any remaining balance will be used to reduce the principal amount of the loan.
- 5.8 Any overpayments which are made to a residential **Mortgage** will be credited in the following way, unless you notify the Society otherwise. First, we will credit them to the **Mortgage Part** with the highest rate of **Interest**. If multiple **Mortgage Parts** have the highest rate of **Interest** then they will be credited to the lowest numbered part.
- 5.9 Any approved refund of overpayments to a residential **Mortgage** will be debited from a **Mortgage Part** that has been overpaid. We will confirm to you in writing from which **Mortgage Part** the refund has been taken.
- 5.10 **Monthly Payments** must be made by direct debit.

6. Interest-only loans (Retirement Interest Only (RIO) Loans are covered in section 6.5 – 6.10)

- 6.1 If all or part of your **Loan** is an interest-only loan, you will at the end of the **Mortgage Term** repay the **Total Debt** to us from your own resources, in accordance with your chosen **Repayment Strategy**.
- 6.2 It is your responsibility to regularly check that any **Repayment Strategy** is adequate to repay the **Total Debt** due under your **Mortgage** at the end of the **Mortgage Term**. We may ask you to provide us with evidence to confirm that you have an appropriate **Repayment Strategy** in place, and that it will be sufficient to repay the **Total Debt**.
- 6.3 We reserve the right (but we are not obliged) at any time during the life of your **Mortgage** to convert your interest-only mortgage (or the relevant **Mortgage Part**) to a repayment mortgage if:
 - a) you do not keep up your payments under the **Mortgage** or any **Life Policy** or other **Repayment Strategy** that was intended to be used to pay off the **Mortgage**; or
 - b) we have reasonable grounds to believe that you may not be able to pay off the **Total Debt** due under the **Mortgage** at the end of the **Mortgage Term**, either because you have failed to provide evidence of your **Repayment Strategy** when requested, or the evidence provided indicates that the **Repayment Strategy** is not adequate to repay the **Total Debt** at the end of the **Mortgage Term**.

- 6.4 Before we take any action under **Condition** 6.3, we will contact you to discuss your circumstances and options and give you reasonable time to bring any missed payments under the **Mortgage, Life Policy** or other **Repayment Strategy** up to date and/or provide any further evidence that you have an adequate **Repayment Strategy** in place. In exercising our powers under **Condition** 6.3 we will act reasonably and in accordance with regulatory requirements.
- 6.5 If your **Loan** is classified as a RIO mortgage, repayment of the **Total Debt** will be when a Life Event occurs. A Life Event will be deemed to have occurred in the following circumstances:
- when you die or, in the case of joint borrowers, when the second borrower dies; or
 - when you, or second borrower where there are two, move into residential care or other alternative accommodation and vacate the property and leave it unoccupied for a continuous period of six months unless you have obtained written consent from us in advance of leaving the property unoccupied that you can do so for a specified period of time and have agreed a date on which you must return to the property to avoid a Life Event occurring; or
 - when the property is sold.
- 6.6 Your **Monthly Payment** will only cover the interest that becomes due on the capital amount and the amount that you borrow will remain outstanding unless you make capital repayments.
- 6.7 You, or your next of kin where the borrower is deceased, must advise us of a Life Event within 30 days of its occurrence.
- 6.8 No capital is repayable until the RIO mortgage is redeemed. Age is never a requirement of repayment by you.
- 6.9 **Interest** will continue to accrue from the date that repayment is triggered by a Life Event until the date that the RIO mortgage is actually redeemed.
- 6.10 You can't sub-let or lease any part of the property during the term of the RIO mortgage. This includes lodgers and any short term letting arrangements.

7. Interest

- 7.1 You must pay **Interest** on the **Loan** or on the balance of it outstanding from time to time. **Interest** will be calculated on a daily basis, and is payable as part of the **Monthly Payment**. Each **Monthly Payment** will be calculated on the basis of one-twelfth of a year, and not on the basis of the exact number of days in the particular **Month**.
- 7.2 **Interest** for the period from the **Completion Date** to the last day of the **Month** in which completion of the **Mortgage** takes place must be paid to us. We will advise you of this amount following the release of the **Loan**.
- 7.3 You should note that you will pay more **Interest** if you make your **Monthly Payment** on a day later than the **Payment Day**.
- 7.4 **Interest** will also be charged on **Costs** and **Fees** in accordance with **Condition** 13.
- 7.5 In calculating **Interest**, percentages will not be taken beyond two decimal places.
- 7.6 **Interest** will continue to be charged even if we get a court order against you for payment of some or all of the **Total Debt**.

8. Variation of the rate of interest

- 8.1 Except during any period in which the rate of **Interest** in your **Mortgage Offer** is stated to be fixed, or stated to be charged at a tracker rate, except for where **Condition** 8.9 applies, the interest rate can be changed by us from time to time. The ways in which we can change the **Interest** rate are set out in the following **Conditions**.
- 8.2 During any period in which your interest rate is stated to be fixed, we cannot change the interest rate, except for where **Condition** 8.9 applies.
- 8.3 Where the rate of **Interest** is stated to track an external reference rate (such as the Bank of England Base Rate or any other specified market rate) the interest rate will increase and decrease within 30 days and by the same amount as the external reference rate as set out in your **Mortgage Offer**. In addition the interest rate may also apply where **Condition** 8.9 applies.
- 8.4 In all other cases, the interest rate will be a variable rate and can be changed by us in accordance with the following **Conditions**.
- 8.5 The interest rate can be reduced without notice, but we will inform you at the earliest opportunity.

- 8.6 The interest rate can be increased by informing you in writing. We will write to you no later than seven days before the change comes in to effect to inform you of your new interest rate.
- 8.7 We can increase the rate of **Interest** if we reasonably believe the change is needed for any of the following reasons (which may relate to circumstances existing at the time or those which are reasonably expected to apply in the near future):
- to respond to changes in the Bank of England Base Rate or any other external reference rate used as a basis for determining our variable rate;
 - to respond to changes in the law or the decisions of a court or ombudsman;
 - to meet relevant regulatory requirements;
 - to respond to new (or changes to) statements or codes of practice designed to enhance consumer protection;
 - to respond to increases in our **Costs** in funding our mortgage lending business and your **Loan** (which may include for example, where interest rates on the money we borrow to fund your **Loan** increase);
 - to respond to increases beyond our reasonable control, in general **Costs** to us of providing your **Loan** or the services and facilities in connection with it, including changes in:
 - technology; or
 - the systems we use to run our banking business; or
 - the banking or financial systems

Where we make any such change we will act reasonably and only make the change if we believe it is fair in the circumstances. Any change that we make to the rate of **Interest** will be proportionate to the circumstances giving rise to the change.

- 8.8 If you do not agree to the change you are able to repay the **Total Debt** in full in accordance with **Condition** 16, however you may have to pay an early repayment charge or other **Fees** and **Costs** which apply under your **Mortgage Offer** and our **Tariff of Mortgage Charges**.
- 8.9 In addition to our ability to change the interest rate in accordance with the **Conditions** above, we may also change the interest rate (including for fixed and tracker rates) in the following circumstances:
- to respond to any increased cost or risk incurred by us as a result of any change of use of the **Property** or its occupation (for example, if the **Property** is let); or
 - if we have reasonable grounds to suspect that the **Property** is being used for a purpose other than the one originally agreed in the **Mortgage Offer** (e.g. a Buy to Let property is being used by the **Borrower** for own occupation or vice versa), we reserve the right to increase the interest rate paid by up to 2%.

9. Rights relating to the Property and Power of Attorney

- 9.1 By signing and completing the **Mortgage Deed** you transfer to us the benefit of any and all **Other Rights**.
- 9.2 If you receive any money arising from **Other Rights**, you must advise us in case our security is affected. You must hold the funds received on our behalf unless we confirm otherwise.
- 9.3 Our rights under **Conditions** 9.1 and 9.2 will only last until the **Total Debt** has been repaid.
- 9.4 By signing and completing the **Mortgage Deed**, you give us a Power of Attorney (that is, a power to act on your behalf) to:
- recover any money due in respect of **Other Rights**, including taking any necessary legal action;
 - sign any documents and take any action that you have agreed but failed to sign or take under these **Conditions**; and
 - transfer any shares you may hold in any tenants' or residents' association or management company in connection with the **Property** if we sell the **Property** under **Condition** 15.
- 9.5 The Power of Attorney in **Condition** 9.4 is given to us as security for the **Total Debt** and we are appointed for as long as the **Mortgage** remains in force. It will come to an end when the **Total Debt** is repaid.
- 9.6 We will not use the powers of attorney unless one of the events mentioned in **Condition** 14 has occurred and we have told you that our right to use the power has arisen.
- 9.7 If the **Property** is held on a lease, and you want to extend the lease or buy the freehold of the **Property** or the building which includes the **Property**, then you must tell us. Our security under the **Mortgage Deed** automatically covers any extended lease or freehold interest from the time of the extension or acquisition. You must sign any additional documentation that we may reasonably require to confirm this.

10. Your obligations

- 10.1 Until the **Total Debt** is repaid you must do the following:
- comply with all the terms and conditions of the **Mortgage**;
 - look after the **Property** and keep it in good condition;
 - complete (without delay) any building work on the **Property**;
 - pay all rents, rates and other charges payable in respect of the **Property** when due;
 - comply with all legal restrictions, obligations and conditions affecting the **Property**;
 - comply with all planning, housing and environmental laws and the requirements of local and other authorities;
 - send us within seven days a copy of any notice received from a local authority or other third party (such as a landlord) that might be important in respect of the **Property**;
 - allow our representatives access to the **Property** to check on its condition and use, so long as we give you reasonable notice and specify a reasonable time for such inspection;
 - allow us to hold any deeds or documents relating to the **Property** if we so require;
 - sign and execute all documents and do all other things that we may reasonably require to ensure that the security granted to us by the **Mortgage Deed** is in full force and effect; and
 - if we reasonably so require, grant to us (or to any person to whom we sell or intend to sell the **Property** in exercise of our power of sale) any rights of access, light or other amenities over any land owned by you neighbouring the **Property**, if they are reasonably necessary for the use of the **Property**.
- 10.2 Until the **Total Debt** is repaid you must not do any of the following in relation to the **Property** unless we have agreed in writing that you may:
- apply for any permission or grant to carry out improvements;
 - change its structure, demolish it or change its use;
 - sell, transfer or otherwise dispose of it;
 - create any letting, lease or licence, or terminate or change any lease (and any statutory right you may otherwise have to do this will not apply);
 - create (or allow to exist) any mortgage or charge other than this one;
 - create any circumstances (such as causing pollution or keeping any hazardous substances) which could lead to any liability on you or us under any environmental laws.
- 10.3 We will not unreasonably refuse a request from you to do something under **Condition** 10.2 (apart from 10.2(f)), but we may require a **Fee** or additional **Interest** to be paid as a condition of giving our consent. The amount of any **Fee** may be set out in the **Tariff of Mortgage Charges**. If it is not, we will set the **Fee** or additional interest at a reasonable and proportionate amount in the light of the circumstances in question and which is no more than our reasonable estimate of the amount of the actual expense we incur.

11. Insurance

- 11.1 You must insure the **Property** at all times for as long as the **Total Debt** is outstanding, for the total amount it would cost to rebuild the **Property**. The insurance policy must provide cover against loss or damage by fire, storm, flood, burst pipes, lightning, explosion, riot, civil commotion, malicious damage, impact by aircraft, other aerial devices or articles dropped from aircraft, or by any road vehicle, train, animal, or falling tree, earthquake, subsidence, heave and landslip and such additional or other risks which comprehensive buildings insurance in the UK normally covers from time to time.
- 11.2 If you insure the **Property** and we request this from you, you must provide us with details of the insurance policy and evidence that the policy is in force. We are not under any obligation to you to check the adequacy of the insurance. It is your responsibility to make sure that the insurance is adequate at all times. The amount of insurance cover must be increased as necessary to ensure that this is the case.
- 11.3 You may ask us to arrange the insurance.
- 11.4 We may (but are not obliged to) insure the **Property** if:
- you are not insuring it (and we reasonably believe that no one else has insured it);
 - we reasonably believe that the insurance is not suitable and you have not made it so when requested;
 - you have not provided details of the insurance and/or proof that it is still in force.

- 11.5 If we insure your **Property** we will use an insurance broker or insurance company of our choice. We will keep any commission paid or allowed for any insurance we arrange. You must pay (or reimburse us for the costs of) the premiums.
- 11.6 If you make an insurance claim, you must tell us immediately. We may take control of the claim, only where it is reasonable to do so, and agree settlement with the insurance company. The Power of Attorney you give us in **Condition** 9.4 covers this.
- 11.7 If the **Property** is leasehold and insured by the landlord you must show us such documentation relating to the policy as we may reasonably request. The insurance company and the terms of the policy must be approved by us, but we will not unreasonably refuse approval.
- 11.8 You have the right to choose whether any money received by you or us from any insurance in respect of the **Property** is used in making good the damage or loss that was the reason for the claim or in or towards payment of the **Total Debt**, unless the **Property** cannot lawfully be repaired or the **Total Debt** has become payable under **Condition** 14. In those cases, the money must be applied in or towards payment of the **Total Debt** unless we agree otherwise.
- 11.9 You must not do or allow anything to be done that might make the insurance invalid.
- 11.10 You must not, without our written consent, put in place any buildings insurance in respect of the **Property**, other than the insurance required by this **Condition** 11. We will not unreasonably refuse our consent.
- 11.11 Unless we agree otherwise with you, any money received by you from any insurance relating to the **Property** must be held on our behalf unless and until it is used as required by **Condition** 11.8.

12. Our power to remedy

- 12.1 If you do not carry out any of your obligations under the **Mortgage**, we may (but we do not have to) carry them out. We may have reasonable access to the **Property** upon providing you with reasonable notice (except for in cases of emergency). If we exercise this right of access this does not mean we have taken possession of the **Property**.
- 12.2 If we incur any **Costs** as a result of our acting under **Condition** 12.1, you must reimburse us as soon as we ask you to. If you do not, the amount of the **Costs** will be added to the **Total Debt** and **Interest** will be charged on it.

13. Fees and Costs

- 13.1 We may charge **Fees** in relation to the operation of your account and for providing any service in connection with the **Mortgage**. Such **Fees** may cover costs and expenses we may have to pay to third parties, staff and other internal administrative charges which we incur.
- 13.2 **Fees** specific to your **Mortgage** are set out in your **Mortgage Offer**.
- 13.3 Details of our other standard **Fees** are set out in our **Tariff of Mortgage Charges**.
- 13.4 We will notify you when you ask us to do something which incurs a **Fee** before it is charged. You will be given the opportunity to pay this fee immediately or add it to the mortgage balance. If added to the mortgage balance **Interest** will be charged on any **Fees** with immediate effect. This does not apply to **Fees** relating to arrears.
- 13.5 We may (unless otherwise stated in the **Mortgage Offer**) change the **Fees** we charge at any time. Changes may include the abolition of, or amendment to, existing **Fees** or the introduction of new **Fees**.
- 13.6 A change which abolishes a **Fee**, or reduces the amount of an existing **Fee**, may be introduced with immediate effect and without notice.
- 13.7 Where we introduce new **Fees**, or increase existing **Fees**, we will tell you about the change, not less than 30 days before it takes effect by letter, or (if you have agreed with us that we may contact you in this way) by email or other forms of electronic communication (which will include a copy of the revised **Tariff of Mortgage Charges**). The revised **Tariff of Mortgage Charges** will also be available on the website and by request.
- 13.8 We may introduce new **Fees**, or change existing **Fees** if we reasonably believe that the change is needed for any of the following reasons (which may relate to circumstances existing at the time or those which are reasonably expected to apply in the near future):
- to reflect any changes in the law or to respond to a decision of a court, ombudsman or regulator;
 - to respond to changes in the reasonable cost to us in providing the service, or carrying out the function, to which the **Fee** relates;
 - to meet relevant regulatory requirements;

- d) to respond to new or changes to any statements or codes of practice designed to enhance consumer protection;
- e) to respond to changes beyond our reasonable control in the costs to us of providing your **Loan** or the services and facilities in connection with it, including changes in:
 - (i) technology; or
 - (ii) the systems we use to run our banking business; or
 - (iii) the banking or financial systems.

Where we make any such change we will act reasonably and only make the change if we believe it is fair in the circumstances. Any change that we make to our **Fees** will be proportionate to the circumstances giving rise to the change.

13.9 You must also reimburse us for all reasonable expenses that we, or any receiver appointed by us, may incur. These **Costs** may arise if:

- a) you fail to do what you have promised to do under these **Conditions**;
- b) we exercise any of the rights we have under these **Conditions** or by law;
- c) we take any action to safeguard our security; or
- d) **Conditions** 11.6, 12.2 or 16.1 apply.

13.10 **Costs** may include a reasonable amount in respect of our internal administrative expenses. They may also include legal costs of a reasonable amount which we have reasonably incurred. You have the right to ask for an assessment of legal costs.

13.11 Where it is possible to estimate the expenses we are likely to incur in particular situations, the amount of the **Costs** will be set out in our **Tariff of Mortgage Charges**. When they are set out in the **Tariff of Mortgage Charges** they may be changed for any of the reasons set out in **Condition** 13.8 and notified to you in accordance with **Conditions** 13.6 and 13.7.

13.12 We will notify you of any **Costs** incurred. **Interest** will be charged on any **Costs** not paid within seven days of our notifying you of them. Any **Costs** incurred will be charged to the lowest numbered **Mortgage Part**.

14. Events on which the total debt becomes payable

14.1 If any of the events set out in **Condition** 14.2 happen, we may require you to pay the **Total Debt** immediately, in which case you must do so.

14.2 The events mentioned in **Condition** 14.1 are:

- a) you do not pay when due, and still owe us, an amount equal to two or more **Monthly Payments**;
- b) you break any other term of the **Mortgage** which has a material impact and fail to put it right within 28 days of our giving you written notice to do so;
- c) the **Property** is destroyed or demolished without our consent;
- d) you become bankrupt or unable to pay your debts;
- e) any **Guarantor** dies, becomes bankrupt or becomes unable to pay their debts unless there is a replacement **Guarantor** who is acceptable to us;
- f) the **Property** becomes subject to a compulsory purchase order, or it is acquired or requisitioned by any authority legally entitled to do so;
- g) you abandon the **Property**;
- h) any security for the **Mortgage** becomes unenforceable; or
- i) you have been guilty of any fraud or have dishonestly provided us with misleading information in relation to the **Mortgage**.

15. Our remedies

15.1 The law provides that the powers we have as a mortgage lender will come into effect the day after the **Mortgage** is completed. This means that for the purposes of these powers the **Total Debt** is due then. Clause 103 of the **LPA** (which could delay our using our power to sell your home) does not apply to this **Mortgage**.

15.2 When the **Total Debt** becomes immediately due and payable under **Condition** 14 we can do any of the following things as and when we see fit without telling you or obtaining your agreement:

- a) take possession of the **Property** and require you to leave it (after obtaining any necessary court order);
- b) appoint a receiver (who may be a person employed by us) or exercise any power given to a receiver under **Condition** 15.4 below;
- c) sell the **Property** by any method we reasonably consider appropriate (including selling in parts), taking into account the nature of the **Property** and its condition at the time of sale or disposal;
- d) let the **Property**, furnished or unfurnished, at such a rent and on such terms as we reasonably think fit;
- e) repair, alter or improve the **Property** as we reasonably think fit, either to preserve the **Property** or our security.

We do not have to tell you before we use any of these powers. However, where it is reasonably practical and where we reasonably think it is appropriate for us to do so, we will try and tell you what we do and plan to do with these powers.

15.3 No purchaser or other person dealing with us needs to ask whether or not any of our powers have arisen or become exercisable or whether we are exercising those powers properly.

15.4 A receiver will be:

- a) entitled to be paid reasonable **Fees** or commission, and will be appointed by us on such other terms as are reasonable in the circumstances;
- b) your agent (and you will be responsible for the receiver's acts and omissions), except if the receiver is our employee; and
- c) entitled, in addition to the receiver's statutory powers, to collect and receive any rents from the **Property**, and to exercise any power (including selling the **Property**) which we would be able to exercise under the **Mortgage**.

15.5 If we sell the **Property** and the amount we obtain for it (after deducting all our expenses) is insufficient to repay the **Total Debt**, you agree, independently of any other **Conditions**, to pay us the shortfall with **Interest** calculated in the manner set out in **Condition** 7.

16. Redemption

16.1 Subject to **Condition** 16.2, you may redeem the **Mortgage** at any time by repaying the **Total Debt** and any early repayment charges. You must also pay us any **Costs** that we have to pay any third party (such as the Land Registry) in connection with the redemption.

16.2 We may require you to repay all other **Loans** you have with us before we release the security given to us by the **Mortgage**. Section 93 of the **LPA** will not apply if you wish to pay the **Total Debt** in full and we require you, as we are entitled as a result of this **Condition**, to pay off any other loan, **Mortgage** or charge on any other **Property** which we may hold from you.

17. Mistakes

17.1 If we release the **Mortgage** in error (because, for example, we miscalculate the amount of the **Total Debt**), this will not prevent us from subsequently correcting the mistake and we may recover from you any amount still owing. However, we will not be entitled to do this if we do not give you notice in writing within three months of the date of release (unless you or any **Guarantor** was aware of the mistake at the time of the release), or if you can show that you have changed your financial position to your disadvantage, as a result of the release of the **Mortgage**, and you were not aware of the error at the time of the release.

17.2 **Condition** 17.1 does not prevent you from exercising any of your rights to recover compensation for any loss you may suffer as a result of any mistake or omission in any information we provide you in connection with the **Mortgage**.

18. Furniture, personal items and animals

18.1 If we take possession of the **Property** or appoint a receiver of it, we may remove, store and/or sell any furniture, personal items or animals in it if you do not remove them within seven days. We will notify you before we do this. You will be responsible for any **Costs** we reasonably incur. We will account to you for any sale proceeds we receive (after deducting our reasonable expenses), but otherwise we will not be responsible for any loss caused to you, providing we take such care as is reasonable in the circumstances. This power does not give us any interest in, or charge over, furniture, personal items or animals.

19. Life policies

- 19.1 This **Condition** applies to every **Life Policy** that may be used from time to time to secure obligations under the **Mortgage**. Your **Mortgage Offer** will indicate whether a **Life Policy** is required and whether we require an assignment or a deposit of the policy with us. In the event that you do not for any reason keep up any **Life Policy** taken out in relation to an interest-only mortgage, we reserve the right (but are not under any obligation) to convert your **Mortgage** to a repayment mortgage in accordance with **Condition** 6.3. (Please see **Condition** 5.2 for meanings of interest-only and repayment **Mortgages**.)
- 19.2 If we require a **Life Policy** as security and we do not have an assignment of it, the policy will be treated as deposited with us and we will have an interest in it known as an equitable charge. The **Policy Owner** appoints us to be their attorney so that we can assign, surrender or sell or otherwise deal with the policy or the policy money. The **Policy Owner** cannot revoke this appointment unless and until the **Total Debt** is repaid.
- 19.3 The **Policy Owner** agrees and confirms as follows:
- to assign the **Life Policy** to us (if we so require);
 - to pay on time all premiums and other money necessary for keeping the **Life Policy** in force;
 - to produce to us (if we ask) receipts for payments of premiums;
 - not to do anything or permit anything to be done which would make the **Life Policy** invalid;
 - not to give/sell or attempt to give/sell to any other person any interest in the policy or proceeds of the **Life Policy**; and
 - to do everything necessary to keep the **Life Policy** in force. If the **Life Policy** does become invalid the **Policy Owner** will do everything necessary to put into force a new policy on the same life or lives and for the same amount as in the old policy. For the purposes of the **Mortgage** and these **Conditions** any new policy will automatically take the place of the old one and if it is not assigned to us it will be treated as deposited with us and we will have an interest in it known as an equitable charge.
- 19.4 If you are not the **Policy Holder** you must ensure that the **Policy Holder** carries out his/her obligations under **Condition** 19.3.
- 19.5 If there is any failure by the **Policy Owner** to comply with **Condition** 19.3 or if we are able to exercise our power of sale in respect of the **Property** we may also do any of the following (so far as applicable, depending on the type of **Life Policy** concerned):
- surrender the **Life Policy** to the insurers;
 - exchange it for a fully paid **Life Policy**;
 - make such other arrangements as we may reasonably think fit for realising the value of the **Life Policy**;
 - arrange for the sale of the **Life Policy**;
 - make such other arrangements with the insurer as we reasonably decide.
- 19.6 Any money that we receive in respect of the **Life Policy** at any time or for whatever reason will be used to reduce or discharge the **Total Debt**.
- 19.7 If the **Total Debt** is repaid we will, if requested (and subject to **Condition** 19.8), release the **Life Policy** back to the **Policy Owner** so that we no longer have any right to the **Life Policy**. Any **Costs** that we incur in doing this must be paid by the **Policy Owner**.
- 19.8 If the **Total Debt** is repaid to us we may (with the agreement of the **Policy Owner**) keep the **Life Policy** to be used in connection with the payment of other money that we may have lent to you or that we may lend to you by a new mortgage. In this case the **Conditions** that will govern that mortgage will then apply.
- 19.9 The **Policy Owner** (when this is not you) agrees not to compete with us in claiming the **Life Policy** or any money payable on it until the **Total Debt** has been repaid in full.
- 19.10 The **Policy Owner** confirms and agrees that no money has been or will be borrowed from the insurer by the **Borrower** or the **Policy Owner**, and that no money has been or will be borrowed from any source by the **Borrower** or the **Policy Owner** or any other person under any option or privilege conferred by or in connection with the **Life Policy**.
- 19.11 We will be entitled to keep any commission we receive from the sale of the **Life Policy**.

20. Guarantors

- 20.1 Your **Mortgage Offer** may require you to provide a **Guarantor** for your **Mortgage**. By signing the **Mortgage Deed**, the **Guarantor** agrees to pay your **Total Debt** if you fail to do so and agrees to this **Condition** 20.

BY GIVING A GUARANTEE, THE GUARANTOR MAY BECOME LIABLE INSTEAD OF, OR AS WELL AS, YOU. A GUARANTOR SHOULD TAKE INDEPENDENT LEGAL ADVICE BEFORE SIGNING THE MORTGAGE DEED.

- 20.2 If there is a **Guarantor**, then the following provisions apply:
- The **Guarantor** agrees with the Society to be equally responsible as you for all your obligations to us under the **Mortgage**, and to pay us on demand any sums of money due from you under the **Mortgage**, including all amounts comprising the **Total Debt**.
 - Any arrangements that we make with you will not affect the obligations of the **Guarantor** to pay your **Total Debt** if you fail to do so. In particular, the liability of the **Guarantor** will not be affected whether or not:
 - we have made a previous demand, or the **Guarantor** has made a previous payment;
 - we allow you or the **Guarantor** additional time to make any payment or any other concession;
 - we take any other security in relation to the **Total Debt**, or any such security is not enforceable for any reason;
 - you (or any of you) or any person comprising the **Guarantor** dies, becomes insolvent or incapable of managing their affairs; or
 - anything else happens, or any action is taken or not taken, which might (apart from this **Condition**) affect the liability of the **Guarantor**.
 - The **Guarantor** does not have any rights or interests in any money held by us or acquired by us, whether from you or any other source, towards the reduction of the **Total Debt**.
 - The **Guarantor** agrees:
 - not to share in any security we have or take any security from you or any other person in connection with this guarantee;
 - not to enforce any right or pursue any claim against the **Borrower** or any other persons in respect of the **Mortgage**; and
 - not to make any claim which would compete with ours, unless and until the **Total Debt** has been repaid in full.
 - The **Guarantor** will not be responsible for any **Loan** other than the original **Loan** or **Interest** relating to any additional **Loan** unless the **Guarantor** has consented to that additional **Loan** in writing.
 - Unless the **Guarantor** agrees otherwise, the **Guarantor's** liability is limited to the amount of the original **Loan** together with all **Interest**, **Costs** and **Fees** forming part of the **Total Debt**.
 - If there is more than one **Guarantor**, each **Guarantor** is separately responsible for the whole of the obligations and liabilities of the **Guarantor** under the **Conditions**.
 - Our rights against any **Guarantor** are independent of, and additional to, any other security we have for the **Total Debt**. We do not have to use our rights in respect of any other security before using our rights to claim against the **Guarantor**.
 - No failure or delay by us in using any of our rights against the **Guarantor** will prevent us from using those rights in the future.
 - We may hold any money we receive from a **Guarantor** in a separate suspense account.
 - You consent to our providing information about the **Mortgage** to the **Guarantor**.

21. Transfer of the mortgage

- 21.1 We may at any time transfer some or all of our rights under the **Mortgage** and/or a **Loan** (including our rights against any **Guarantor**) to any party, whether or not a building society. However, if we transfer our rights to another party, it will not reduce or increase your obligations, or reduce any guarantees you have under the **Mortgage** and you will be able to enforce them against the transferee in the same way that you could enforce them against us before the transfer.
- 21.2 In connection with such a transfer:
- if it is a full transfer of your **Mortgage**, you will cease to be a member of the Society in respect of the **Mortgage**, and our **Rules** will cease to apply (although if the transferee is a building society, you may become a member of the transferee, in which case its **Rules** will apply);

- b) we may disclose any information relating to you and the **Mortgage**; and
 - c) unless the terms of the transfer state otherwise, the person to whom we transfer the **Mortgage** will be able to exercise all the rights and powers that we could exercise before the transfer.
- 21.3 This **Condition** does not apply to a transfer of the **Mortgage** on a merger between us and another building society, or to a transfer of our business to a company under the Building Societies Act 1986. Instead, the provisions of that Act will apply.

22. Notices

- 22.1 If we have to serve on you a letter or other document under this **Mortgage** it will be in writing and sent to your registered address or other last known address unless you have agreed with us that we are to contact you by email or another form of electronic communication.
- 22.2 If we send a notice in the post you are deemed to have received it by the time specified in the Society's **Rules** or, if the **Rules** no longer apply (by virtue of **Condition** 21.2.a), 48 hours after we have posted it regardless of the class of post used. If an electronic communication or email does not reach you because of circumstances outside of our reasonable control, this will not prevent changes referred to in these **Conditions** being put into effect.
- 22.3 If there is more than one of you, then if you share the same address, we will send a single copy of the notice addressed to all **Borrowers**. If you have different addresses, we will send a copy of the notice to each address.
- 22.4 If we accidentally fail to:
- a) send to you a communication intended for our borrowers generally or a category of our borrowers of which you are one; or
 - b) display a notice at our Head Office or any branch office;
- this will not make the notice invalid.

23. General

- 23.1 If we decide to relax any of these **Conditions**, or to not enforce them at any particular time, this will not affect any of our powers or rights or stop us from taking any action in the future.
- 23.2 If we cannot enforce any **Condition**, this will not stop us from enforcing the other **Conditions**. Each **Condition** is separate from the others.
- 23.3 These **Conditions** replace all previously published **Mortgage** Terms and Conditions of the Society. If any **Condition** contradicts any previous Term or **Condition** and is unenforceable, the previous Term(s) and Condition(s) that it purported to change shall remain in full force and effect.
- 23.4 All communications between you and us will be in English.

24. Governing law

- 24.1 The **Mortgage** is governed by the law of England and Wales.

25. Changes to these conditions

- 25.1 We may change these **Conditions** if we give you not less than one month's written notice. We will only make such a change:
- a) to respond to changes in the law or the decisions of a court or ombudsman;
 - b) to meet relevant regulatory requirements;
 - c) to respond to new (or changes to) statements or codes of practice designed to enhance consumer protection;
 - d) to clarify an existing term or **Condition** to make it easier to understand or make it fairer;
 - e) to enable us to enhance the terms of your **Mortgage**;
 - f) to correct any obvious errors provided that the correction does not materially change these **Conditions**, your rights and obligations or our rights and obligations; or
 - g) to enable us to make reasonable changes to the way we look after your **Mortgage** as a result of changes beyond our reasonable control in:
 - (i) technology; or
 - (ii) the systems we use to run our banking business; or
 - (iii) the banking or financial systems.

- 25.2 Where we make any such change we will act reasonably and only make the change if we believe it is fair in the circumstances. Any change that we make to these **Conditions** will be proportionate to the circumstances giving rise to the change.

26. Data protection

- 26.1 The Cambridge is committed to protecting your personal data. We will use your information for a number of different purposes, for example, to manage your account(s), to provide our products and services to you and others and to meet our legal and regulatory obligations. We may also share your information with our trusted third parties for these purposes. For more detailed information on how and why we use your information, including the rights in relation to your personal data and our legal grounds for using it, please go to cambridgebs.co.uk/privacy-policy.

27. Buy to Let mortgage or Collateral Charge

- 27.1 If the **Mortgage** is a Buy to Let **Mortgage** or Collateral Charge then this **Condition** shall apply.
- 27.2 The following sub-clause shall be added to **Condition** 10.1:
- a) to make all proper arrangements to ensure that the **Property** is well and efficiently managed.
- 27.3 The following sub-clauses shall be added to **Condition** 15.2:
- a) take any proceedings in your name or otherwise as we shall think fit;
 - b) receive and give good receipt for any instalment of the **Loan** which we may (although we are not obliged to) make from income received;
 - c) raise money from us or others on the security of the **Property**;
 - d) do all such other acts or things as may be considered to be incidental or conducive to any matters relating to the **Property** or the **Loan** and which we may lawfully do.

The Cambridge Building Society
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All communications with us may be monitored/recorded to improve the quality of our service and for your protection and security.



cambridgebs.co.uk