

General Mortgage Conditions

Please keep them safe.



Building Society

Contents

1. Purpose of these conditions	1
2. Meaning of words and expressions	1
3. What the mortgage covers	4
4. How you repay	4
5. Interest	7
6. Changes in interest rate	9
7. Events of default	10
8. The property as security	11
9. Care of the property	11
10. Insurance	12
11. Leases/Tenancies	13
12. Our rights and remedies	13
13. Property rights	16
14. Transfer of mortgage	17
15. Power of attorney	17
16. Notices	17
17. General	18
18. Trust of reversion	18
19. Standard conditions	19

Nationwide Building Society

General Mortgage Conditions 2018

Thank you for choosing Nationwide as your mortgage provider. We've been helping people to secure the right mortgage for their needs for over 160 years.

We like you to feel fully informed about your Nationwide products and the conditions attached to them. If you have any questions, please ask your conveyancer who will be able to explain.

1. Purpose of these conditions

These **conditions** form part of, and are to be read together with, any **mortgage offer, mortgage deed** or other document which states that they are included. While **you're** a borrowing member of Nationwide Building Society you're also bound by its rules that are current from time to time. If there is any inconsistency, priority will be given to each of these documents in the following order:

- (a) the **mortgage offer**;
- (b) the **mortgage deed**;
- (c) these **conditions**;
- (d) the rules; and
- (e) (where the **property** is in Scotland) the **standard conditions**.

2. Meaning of words and expressions

2.1 In these **conditions** the following words and expressions have the following meanings:

“arrears”	any part of a monthly payment which has not been paid by the end of the payment due date ;
“conditions”	these General Mortgage Conditions 2018 (as varied or replaced by agreement between you and us , or in accordance with their terms);
“debt”	the total amount of money outstanding under the mortgage offer and these conditions , including any arrears and all interest, expenses and product fees which become owing from you under the mortgage ;
“event of default”	any of the events or circumstances referred to in condition 7.2 ;

“expenses”	any costs, losses or charges which you owe us from time to time under conditions 4.9 to 4.11;
“interest calculation balance”	the part of the debt on which we charge interest under condition 5.1. Condition 5.2 explains how we work out the interest calculation balance ;
“loan”	the amount of money we lend you under a mortgage offer ;
“month”	a calendar month;
“monthly payment”	the monthly payment which is payable under the mortgage offer , as varied from time to time under these conditions ;
“mortgage”	all of our mortgage contract with you including the mortgage offer , the mortgage deed , these conditions , the rules and (where the property is in Scotland) the standard conditions as mentioned at condition 1 above;
“mortgage deed”	any mortgage deed (or standard security where the property is in Scotland) or deed of substituted or additional security given to secure the secured liabilities ;
“mortgage offer”	any mortgage offer or offer of additional borrowing by which we offer to make you a loan on the security of the mortgage , and any subsequent offer (including an offer to apply a different mortgage interest rate to an earlier loan) which adds to, changes or replaces an earlier offer;
“mortgage interest rate”	the rate of interest applicable to the debt under the mortgage ;
“Nationwide Group”	us and any subsidiary of ours and any limited liability partnership of which we’re a member and which has an insurable interest in the property ;
“payment calculation balance”	the balance we use to work out the monthly payment where the repayment type is “repayment”. The payment calculation balance is equal to the debt minus any arrears ;

“ payment due date ”	the first day of the month , being the date on which your monthly payment is due;
“ product fee ”	any fee which, under a mortgage offer , is to be added to a new or existing loan ;
“ property ”	all or any part of the property comprising our security under the mortgage ;
“ property rights ”	<p>(a) your rights under any agreement, option, insurance policy (other than buildings insurance referred to in condition 10) or guarantee which concerns:</p> <ul style="list-style-type: none"> • the property; • the way the property is built; or • the condition of the property; <p>(b) any shares or other membership rights which you hold in a management company or residents’ association or other similar body by virtue of owning the property;</p> <p>(c) any rights you have to any statutory compensation concerning the property;</p> <p>(d) any rights to enlarge, extend or convert the title to the property;</p> <p>(e) all rights and remedies you have concerning the property (including any which arise from damage to it or a reduction in its value);</p>
“ rebuilding cost ”	the full cost of rebuilding the property to its original form (or as close to it as is reasonably possible), including site clearance, all professional fees and the cost of meeting all planning, local authority and other legal and regulatory requirements;
“ repayment type ”	the method by which the debt is to be repaid as explained in conditions 4.3 to 4.7 . The repayment type can be “repayment”, “interest only” or a combination of the two.
“ secured liabilities ”	the debt and any other money which the mortgage secures under condition 3.1 ;
“ standard conditions ”	the standard conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended and annexed and signed as relative to these conditions;

“term”	the period of time stated in the mortgage offer for the repayment of the loan , or any changed period of time we agree with you ;
“we/us/our”	Nationwide Building Society and its successors and any transferees of its rights;
“year”	a year or part of a year ending on 31 December;
“you/your”	the person named as the borrower in the mortgage and that person’s successors;

- 2.2 If there’s more than one of **you**, these **conditions** apply to all of **you** together and to each of **you** on **your** own. Each of **you** will be jointly and severally liable under these **conditions** so that **you’re** each fully liable to **us** for the **debt**.
- 2.3 References to a provision in a statute include any changes which are made to it and to any provision which replaces it.
- 2.4 References to the singular include the plural and vice versa.

3. What the mortgage covers

- 3.1 The **mortgage** secures (a) the **debt** and (b) any other money **you** owe **us** at any time and which **you** agree can be secured by the **mortgage** (this may include an overdraft).
- 3.2 **We** shall not be obliged to release the **property** from the **mortgage** unless and until the **secured liabilities** have been paid in full.

4. How you repay

Repaying the debt

- 4.1 **You** agree to repay **us** the **debt** by the end of the **term**.
- 4.2 **You** agree to pay **us** the **monthly payments** on the **payment due dates** until all the **debt** has been paid.

Repayment types

- 4.3 The **repayment type** for any **loan** is as stated in the **mortgage offer** and may be changed by the agreement of both **you** and **us**. In addition, if the **repayment type** is “interest only” and the **interest calculation balance** (less any **arrears**) comes to exceed the original amount of the **loan** plus any **product fee** which remains outstanding, the **repayment type** which applies to the excess will be “repayment”. Such an excess may arise because, for example, an item of **expenses** has been added to the **interest calculation balance**. The “repayment” method will cease to apply if and when the excess is eliminated by any subsequent payments **you** make to the credit of **your** account.

- 4.4 Where the **repayment type** is “repayment”, the **monthly payment** will consist of:
- (a) a combined payment of capital and interest, which **we** will work out so as to provide for the **payment calculation balance** to be repaid with interest by equal monthly instalments by the end of the **term**; and
 - (b) if and so long as any **arrears** are owing, a further amount consisting only of interest on the **arrears**.
- 4.5 Where the **repayment type** is “interest only”:
- (a) the **monthly payment** will consist only of interest on the **interest calculation balance** (including any **arrears**);
 - (b) for the purpose of working out the **monthly payment**, **we** will treat each **month** as an equal twelfth part of the **year**; and
 - (c) **you’ll** have to repay the outstanding **debt** in a single lump sum at or before the end of the **term**.
- 4.6 Where the “interest only” method and the “repayment” method apply to different parts of the **debt**, **we’ll** work out the **monthly payment** in accordance with **condition** 4.5 for the part of the **debt** to which the “interest only” method applies and in accordance with **condition** 4.4 for the balance.
- 4.7 Except where **condition** 4.16 applies, the **monthly payments** do not provide for the payment of any **arrears you** owe. Unless it would conflict with any payment arrangement **we’ve** agreed with **you** or with any court order **we’ve** obtained against **you**, any **arrears you** owe **us** will remain immediately due and payable.

Capital repayment

- 4.8 **You** may repay the whole or any part of the **debt** at any time provided **you** meet any terms in the **mortgage offer** regarding early repayment, such as paying any early repayment charges.

Costs, losses and charges

- 4.9 **We** may charge **you** for services **we** provide, or activities **we** carry out at **your** request or with **your** consent. **We** may also charge **you** to cover costs and losses **we** reasonably incur in connection with the **mortgage**. **We** publish a tariff of charges, which forms part of these **conditions** and which **we** can amend at any time in accordance with **condition** 4.14, unless any charge is stated to be fixed for the **term** in the tariff or **mortgage offer**. The tariff is available from any of **our** branches and on **our** website at nationwide.co.uk.
- 4.10 **You** must also pay **us** any costs and losses **we** reasonably incur in connection with the **mortgage** but are not covered by **our** tariff of charges. Costs and losses may include (but are not limited to) those reasonably incurred in:

- (a) any legal proceedings or other action to recover any part of the **debt** or to take possession of the **property**;
 - (b) taking a **property** into possession, looking after it, selling it, dealing with any surplus funds realised or recovering any shortfall in the **debt**;
 - (c) keeping the **property** insured under these **conditions** or perfecting or protecting **our** security;
 - (d) paying any maintenance or service charges, estate rent charges or rent for the **property**;
 - (e) remedying any breach of the **mortgage** by **you**.
- 4.11 **We** may ask **you** to pay any charge before **we** perform the service or carry out the activity for which it is imposed and **we** may ask **you** to pay **us** the amount of any costs or losses which **we** expect to incur before **we** have incurred them.
- 4.12 **We'll** notify **you** under **condition** 16 of the amount of any charges, costs or losses which become due under **conditions** 4.9 to 4.11 so that **you** have the opportunity to pay the amount to **us**. Any charges, costs or losses which **you've** not paid **us** in advance and which are notified to **you** as due will be added to the **debt** and **we** may charge interest on them at the **mortgage interest rate** from then on. If **you** do not wish to incur such additional interest **you** should pay the amount as soon as it is notified to **you**.
- 4.13 From time to time **we** may provide services and carry out activities on **your mortgage** or **loan** free of charge. However, **we** may introduce charges for those services and activities at any time in accordance with **condition** 4.14.
- 4.14 **We** can reduce or abolish a charge at any time. **We** can increase or introduce a charge for one or more of the following reasons:
- (a) to reflect any changes or reasonably anticipated changes in the law, regulations or codes of practice or to respond to a decision by a court, ombudsman or regulator;
 - (b) to reflect changes which **we** may reasonably make in any activity **we** carry out or the services **we** provide or to provide new services;
 - (c) to maintain **our** financial strength for the benefit of **our** members;
or
 - (d) to reflect the costs which **we** reasonably incur in providing relevant services and carrying out relevant activities.

Any new or increased charge will be proportionate to the reason for its introduction or amendment. Before **we** change or introduce a charge for such a reason **we'll** notify **you** under **condition** 16.

Monthly payments

- 4.15 **We** may set and vary from time to time the **monthly payments** to reflect:
- the current **mortgage interest rate**;
 - the **debt**;
 - the current **repayment type**;
 - the **term**.
- You** will be notified of any change in **monthly payments** by notice under **condition 16**.
- 4.16 If the **repayment type** is “repayment”, **we** may transfer all or part of any **arrears** to the **payment calculation balance** and vary the **monthly payment** accordingly, but **we’ll** only do this if **we** reasonably believe that:
- you’re** not in a position to pay off the amount transferred in a lump sum or over a period ending before the expiry of the **term**; and
 - you’ll** be able to afford any increase in the **monthly payments** resulting from the transfer.
- 4.17 Any payment **we** receive for the credit of **your** account in any **year** will be applied towards the following amounts in the following order:
- any **product fees** or **expenses** which have become owing from **you** during the **year** and remain outstanding;
 - any interest which has become payable by **you** during the **year** but remains unpaid;
 - capital.
- 4.18 If there are any **arrears** owing at the time when **we** receive a payment for the credit of **your** account, **we’ll** use the payment to reduce or pay off the **arrears**.
- 4.19 **You** should read the terms of the **mortgage offer** before making a payment of more than **your monthly payment**. **You** may be liable to pay an early repayment charge.

5. Interest

- 5.1 **We** charge interest each day on the amount of the **interest calculation balance** at the beginning of the day.
- 5.2 **We** work out the **interest calculation balance** as follows:
- Any **loan** (or any instalment of it) will be treated as increasing the **interest calculation balance** as indicated below:
 - where **we** release the money electronically by BACS, at the beginning of the second working day after the day the **loan** is released;
 - where **we** release the money electronically by CHAPS, at the beginning of the day the money is released;
 - where **we** pay the money by cheque, at the beginning of the second working day after the date of the cheque.

- (b) Any interest which is not paid in the **year** in which it accrues will be added to the **interest calculation balance** at the end of the **year**.
- (c) Any **expenses** which become due under **conditions** 4.9 to 4.11 will be added to the **interest calculation balance** at the time when **we** notify them to **you** under **condition** 4.11, or, if **we** choose, at any time up to the end of the **year** in which they become owing (unless **you** have paid them before then).
- (d) Any **product fees** will be added to the **interest calculation balance** at the same time they are added to the **debt**, or, if **we** choose, at any time up to the end of the **year** in which they become owing (unless **you** have paid them before then).
- (e) Any **monthly payment** or other sum paid to the credit of **your** account (so far as not required to pay off any sums mentioned in **condition** 4.17(a) and (b) which have yet to be added to the **interest calculation balance**) will be used to reduce the **interest calculation balance** at the beginning of the day after the payment is received.

5.3 **We** charge interest at the **mortgage interest rate**. Interest accrues each day and is payable by **your monthly payment**, except that **we** may require any interest **we** charge on a new **loan** (or instalment of a loan) between the day the money is treated as increasing the **interest calculation balance** under **condition** 5.2(a) and the next **month**-end to be paid with the **monthly payment** due in the following **month** or (if earlier) by the end of the **year**.

5.4 Interest will continue to be charged at the **mortgage interest rate** even if a court makes an order for possession or after **we** obtain judgment, or if **you** give **us** possession of the **property** or if the **property** is taken into possession, until the **property** is sold and the **debt** is paid in full.

5.5 **We** have the right to change **our** process or basis for charging interest at any time to take account of any of the following in a proportionate way:

- (a) changes in technology introduced in good faith and in accordance with the practice of a reasonably prudent institution;
- (b) changes in market practice;
- (c) regulatory requirements or recommendations;
- (d) development or efficiency in the interests of **our** members as a whole.

We'll give **you** not less than three **months'** notice under **condition** 16 of any such changes.

6. Changes in interest rate

- 6.1 **We** may reduce the **mortgage interest rate** at any time and for any reason.
- 6.2 Where the **mortgage offer** states that the **mortgage interest rate** is a rate which **we** are free to vary, **we** may increase the **mortgage interest rate** at any time for one or more of the following reasons:
- (a) to reflect changes in the cost to **us** of raising the money lent to **our** mortgage customers. The causes of these cost changes can include:
 - changes to external benchmark interest rates such as the Bank of England Base Rate or the London Interbank Offered Rate (LIBOR);
 - changes in the interest rates **we** need to pay to attract and retain deposits from savings customers; and
 - changes in the cost to **us** of borrowing money from other financial institutions, or otherwise raising money from financial markets and investors;
 - (b) to reflect any changes or reasonably anticipated changes in the law or in any code of practice which applies to **us**, or to respond to the decisions of any court or ombudsman;
 - (c) to reflect any changes in regulatory requirements or guidance which apply to **us**, including any changes in the amount or composition of the capital which **we** need to maintain to support **our** mortgage lending business;
 - (d) to reflect changes beyond **our** reasonable control in the costs **we** incur in running **our** business, including administrative costs and costs involved in providing services or facilities for **our mortgage** customers;
 - (e) to maintain **our** financial strength for the benefit of **our** members as a whole.

Any increase **we** make under this **condition** will be a proportionate response to the reason or reasons relied on for making it.

- 6.3 Where the **mortgage offer** states that the **mortgage interest rate** tracks the Bank of England Base Rate the **mortgage interest rate** will change as set out in the **mortgage offer**.
- 6.4 In addition to **our** rights under **condition** 6.2 and 6.3, **we** can also increase the **mortgage interest rate** to reflect, in a proportionate manner, any increase in risk to **us** as a result of a change in the way the **property** is used or occupied. **We** can do this even if the **mortgage interest rate** is a fixed rate or a capped rate, which in either case will be increased accordingly. If the **mortgage interest rate** is set at a rate which we are free to vary under **condition** 6.2, or which tracks the Bank of England Base Rate, **we** will increase the **mortgage interest rate** by

adding to the rate or by changing the relevant percentage added to or subtracted from the Bank of England Base Rate.

6.5 **We'll** give **you** notice of any change **we** make under **conditions** 6.1 to 6.4 in accordance with **condition** 16. **Our** notice will be given before the change takes effect.

7. Events of default

7.1 If an **event of default** occurs **we** may make a written demand for payment of the **debt**, in which case you must pay **us** the **debt** immediately.

7.2 An **event of default** occurs if:

- (a) **we** discover that **you** gave **us** wrong or incomplete information when **you** applied for the **loan** and the soundness of **our** decision to lend was materially prejudiced as a result; or
- (b) **you're** more than one **month** late in payment of any money which is due for payment under the **mortgage** and the total amount which is overdue is equal to two **monthly payments** or more; or
- (c) there's a breach of any term of the **mortgage** (other than a breach which is minor or remedied in a timely way or is otherwise provided for in this **condition** 7.2); or
- (d) (in England, Wales or Northern Ireland) a bankruptcy order is made against **you** or **you** enter into a voluntary arrangement, deed of arrangement or other arrangement with **your** creditors; or
- (e) (in Scotland) **you** are apparently insolvent, or a petition for the sequestration of **your** estate is presented to the court, or a bankruptcy order is made against **you**, or **you** grant a trust deed for **your** creditors; or
- (f) the **property** or any part of it is compulsorily purchased or requisitioned; or
- (g) (if the **property** is in England, Wales or Northern Ireland) where **you** default on **your** obligations under a lease, including the obligation to pay rent and any other costs or charges; or
- (h) (if the **property** is in Scotland) where **you** own a part share of the **property** with a housing association or similar organisation on a shared ownership basis, on the termination of the occupancy agreement between **you** and the housing association, or where **you** default on **your** obligations under the occupancy agreement, including the obligation to pay rent and any other costs or charges to the housing association. An **event of default** will not occur where the occupancy agreement is terminated by reason of **you** acquiring all of the remaining part shares of the **property**.

8. The property as security

- 8.1 The **property** is security for **us** under the **mortgage**. In taking security over the **property we** give no assurances that the **property** is free from defects or worth a particular amount. **You** must satisfy yourself on these matters. In particular any mortgage valuation report **we** obtain is for **our** purposes only (even if **you** or someone else receives a copy) and **you** are advised to obtain **your** own valuation report or structural survey.
- 8.2 **We** may refuse to release any **loan**, instalment or further money to **you** unless any existing **mortgage** or charge in favour of another lender is discharged or postponed.
- 8.3 Before making a **loan, we** may require anyone (other than **you**) who is aged 17 or over and who is or will be in occupation of the **property** to confirm to **us** in writing, in a form approved by **us**, that they agree to **us** making the **loan** and to any rights which they may have in the **property** being charged in **our** favour and /or postponed to **our** rights under the **mortgage**. This is to protect **our** rights and remedies over the **property** under the terms of the **mortgage**.
- 8.4 **Our** security includes any of the following interests which **you** acquire:
- (a) a new or extended lease of the **property**;
 - (b) an interest in the commonhold or freehold of the **property** or in the freehold of any building which includes the **property**;
 - (c) an interest or right which benefits the **property** in or over other land or buildings.
- 8.5 If **you** acquire an interest under **condition** 8.4, **you** must, no later than one **month** after doing so:
- (a) advise **us** of the acquisition and give **us** any evidence of **your** title or documents relating to that interest that **we** request;
 - (b) if asked, give **us** a charge of the interest in a form approved by **us**.

9. Care of the property

- 9.1 **You** must:
- (a) put and keep the **property** in good repair;
 - (b) not carry out any structural alterations or additions to the **property** or change its use without **our** written consent (which **we** won't unreasonably withhold or delay) and all other necessary consents;
 - (c) ensure that any building or improvement work is properly carried out in accordance with all necessary consents and without delay and notify **us** immediately on receipt of any notices alleging breach;
 - (d) not do anything at the **property** which would enable the insurer to avoid its liability for insurance of the **property** or to increase the cost of insurance;

- (e) comply with all restrictions and obligations affecting the **property** or its owner or occupier;
- (f) allow **us** to inspect the **property** at any reasonable time if **we** give **you** notice beforehand;
- (g) allow **us** full access to the **property** and to carry out or complete any building work required for the good repair or reinstatement of the **property** which **you've** failed to do.

9.2 In addition, if the **property** is in Northern Ireland, you must:

- (a) inform **us** of any damage to the **property** which might give **you** or **us** the right to make a claim for payment of compensation under the provisions of the Criminal Damage (Compensation) (Northern Ireland) Order 1977 within seven days from the date on which the damage occurred;
- (b) serve or arrange for **your** legal advisor to serve any notices required by the Criminal Damage (Compensation) (Northern Ireland) Order 1977. The notices must state that the **property** is mortgaged to **us**;
- (c) take all steps needed to obtain the maximum amount of compensation payable under the Criminal Damage (Compensation) (Northern Ireland) Order 1977; and
- (d) use all compensation received as **you** may decide either to reinstate the **property** (making up any shortfall using **your** own money) or in or towards payment of the **secured liabilities** in full.

9.3 If **we** enter the **property** under any of these **conditions**, it does not mean **we** have accepted the legal responsibilities of a mortgagee in possession.

10. Insurance

10.1 Except where **condition** 11.2 applies, **you** must arrange insurance of the **property**. **You** must insure the **property** in accordance with the **mortgage offer** and these **conditions** and must keep it insured at **your** own expense for its full **rebuilding cost**. **We** may approve the insurer, risks and terms of this insurance. Where the insurer allows, the insurance must be in the joint names of **you** and the **Nationwide Group** or the interest of the **Nationwide Group** should be noted under the policy (whether or not **you** arrange the insurance through **us**).

10.2 If **you** fail to insure the **property we** may, but shall not be obliged to, insure the **property ourselves**. **We** may add the cost of such insurance to the **debt** and interest will be charged on this amount in accordance with **condition** 4.12.

10.3 The following terms apply if an insurance claim is made in respect of the **property**:

- (a) **We** reserve the right to approve the terms of any settlement **you** reach with the insurer.

- (b) Subject to the terms of any lease or other title document under which **you** hold an interest in the **property**, the settlement money shall be used as **you** may decide either to reinstate the **property** or in or towards payment of the **secured liabilities** in full.
- (c) If **you** decide to use the money to reinstate the **property we** can keep the money whilst the repairs or rebuilding are being carried out and only release the money by stage payments as the repairs or rebuilding progress. If the money is not sufficient to pay for the repairs or rebuilding in full **we** shall not be obliged to lend any more funds.
- (d) If **you** use the money to pay off the **secured liabilities** and there is a surplus after the **secured liabilities** have been paid, **we** may forward the surplus to a second chargee of whom **we** are aware or to any other person entitled to receive it. If the money is not sufficient to pay the **secured liabilities** in full **we** may take action to recover the shortfall.
- (e) Any money paid directly to **you** by the insurers will be held on trust for **us** and promptly paid to **us** upon **our** request.

11. Leases/Tenancies

- 11.1 Where the **property** is leasehold **you** must comply with all **your** obligations under the lease and not do anything to forfeit or allow termination of the lease. **You** must immediately inform **us** in writing if **you** receive any notice of breach of **your** obligations from **your** landlord. **We** may rectify the breach on **your** behalf and under these **conditions** any **expenses we** incur in doing so will be added to the **debt** and interest will be charged on this amount in accordance with **condition** 4.12.
- 11.2 Where, under any lease under which **you** hold the **property**, it is the landlord's responsibility to arrange insurance of the **property**, **you** must do **your** best to make sure that insurance is in force and that it meets **our** requirements under the **mortgage offer** and these **conditions**. If the landlord does not insure the **property** in a way which meets those requirements, **we** may but will not be obliged to insure the **property ourselves**. **We** may add the cost of such insurance to the **debt** and interest will be charged on this amount in accordance with **condition** 4.12.
- 11.3 **You** must not lease, let, license or part with possession of the property or any part of it.

12. Our rights and remedies

- 12.1 If the **property** is in England, Wales or Northern Ireland, **our** power of sale arises on the date of the **mortgage deed** and is free from the restrictions in section 103 of the Law of Property Act 1925 (if the **property** is in England or Wales) and the restrictions in section 20 of the Conveyancing and Law of Property Act 1881 (if the **property** is in

Northern Ireland). However, **we** will only exercise **our** power of sale where **condition 12.2** applies.

12.2 This **condition** applies at any time after:

- (a) an **event of default** has occurred under these **conditions**; and
- (b) **we** have written to **you** demanding payment of the **debt**.

Where this **condition** applies, **we** may do any of the following without notice:

- (a) take possession of the **property**;
- (b) sell the **property**;
- (c) (if the **property** is in England, Wales or Northern Ireland) appoint a receiver;
- (d) (if the **property** is in England or Wales) exercise the other enforcement powers which **we** have under the Law of Property Act 1925;
- (e) (if the **property** is in Scotland) exercise the enforcement powers which **we** have under the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended;
- (f) (if the **property** is in Northern Ireland) exercise the other enforcement powers which **we** have under the Conveyancing and Law of Property 1881 and the Conveyancing Act 1911.

If **we** do any of these things, interest will continue to be charged on the **interest calculation balance** (including any part of the **interest calculation balance** which remains outstanding following a sale of the **property**), until the **debt** repaid in full.

12.3 **Our** powers under the Law of Property Act 1925 (where the **property** is in England or Wales), under the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended (where the **property** is in Scotland), or under the Conveyancing and Law of Property Act 1881 and the Conveyancing Act 1911 (where the **property** is in Northern Ireland) and under the general law are extended to allow **us** to do any of the following:

- (a) repair or improve the **property**;
- (b) carry out building work at the **property** and apply for any planning permission or other consents which are needed for that purpose;
- (c) grant, take, continue or surrender any leases, tenancies or licences of the **property**. These powers are free from the restrictions in section 99 of the Law of Property Act 1925 (where the **property** is in England or Wales) and from the restrictions in section 18 of the Conveyancing and Law of Property Act 1881 (where the **property** is in Northern Ireland). **We** can also use any income from doing so towards paying off the **secured liabilities**;

- (d) if the **property** is let, **we** can:
- bring the lease to an end;
 - agree with the tenant to change the terms of the lease;
 - accept a surrender of the lease. This power is free from the restrictions in section 100 of the Law of Property Act 1925 (where the **property** is in England or Wales) and from the restrictions in section 3 of the Conveyancing Act 1911 (where the **property** is in Northern Ireland);
 - collect any rent being paid by the tenant and use it towards paying off the **debt**.
- (e) (if the **property** is in England, Wales or Northern Ireland) if **you** hold the **property** on a shared ownership lease, **we** can buy the freehold or further shares in the lease, or accept a further lease or direct that these interests be transferred to any buyer of the **property**;
- (f) (if the **property** is in Scotland) if **you** hold the **property** on a shared ownership basis, **we** can buy further shares in the **property** from the joint owner;
- (g) acquire any other interest directly or indirectly benefiting the **property**;
- (h) (if the **property** is in England, Wales or Northern Ireland) grant easements over any other land **you** own, whether within the same title as the **property** or in some other title, that are reasonably necessary for the enjoyment of the **property**.

Any **expenses** reasonably incurred by **us** in taking any of the above steps will be added to the **debt** and interest will be charged on them in accordance with **condition** 4.12.

- 12.4 In addition if **we** take possession of the **property** then **we** may remove, store, sell or otherwise deal with any goods or animals which are on or come on to the **property**. **We** will not be responsible for any loss or damage caused by **us** doing this unless we fail to take reasonable care, nor will our doing this give **us** any charge over any goods or animals at the **property**. Any **expenses** reasonably incurred by **us** under this **condition** will be added to the **debt** and interest will be charged on them in accordance with **condition** 4.12.
- 12.5 In taking possession, exercising **our** enforcement powers or selling the **property** **we** can employ and pay agents to carry out any work or activity on **our** behalf and any **expenses** reasonably incurred by **us** in doing so will be added to the **debt** and interest will be charged on them in accordance with **condition** 4.12.
- 12.6 If **we** appoint a receiver (this does not apply if the **property** is in Scotland):
- (a) the receiver will act as **your** agent and any **expenses** incurred by the receiver will be added to the **debt** and interest will be charged on them in accordance with **condition** 4.12;

- (b) the receiver will not have to use the money he receives to pay off interest before capital, or otherwise have to pay off the **debt** in any particular order;
- (c) the receiver may employ and pay agents to carry out any work on his behalf;
- (d) the receiver may exercise any of **our** powers of enforcement (including any extended powers which **we** would be entitled to exercise under **condition** 12.3).

- 12.7 If **you** do not pay any money which is due for payment under the **mortgage**, **we** can use any money **you** have in an account with **us** (for example, in a savings or current account), or which is otherwise due and payable to **you** (or to any of **you**) by **us**, to repay or reduce the amount **you** owe **us**. This is called a right of “set-off”. This right will apply unless the law or other restrictions prevents it (for example, **we** won’t exercise **our** right of set-off to use any money that **we** think **you** need to meet essential living expenses or certain important debts to which **we** must give priority, or use any money **you** have told **us** isn’t **yours**).
- 12.8 Where the **mortgage** is in **your** sole name, **our** right of set-off allows **us** to take money from an account in **your** name only or from an account which **you** hold jointly with someone else.
- 12.9 Where the **mortgage** is held jointly, **our** right of set-off allows **us** to take money from an account:
- held by one or more of the joint borrowers;
 - held by one or more of the joint borrowers and someone else together.
- 12.10 **We’ll** give **you** at least 14 days’ notice under **condition** 16 before **we** exercise **our** right of set-off.

13. Property rights

- 13.1 So far as **you** are able, **you** assign the **property rights** to **us**. They’ll stand re-assigned to **you** when the **secured liabilities** are paid off.
- 13.2 If **you** receive any money under any of the **property rights you’ll** hold the money on **our** behalf.
- 13.3 Any money which **you** or **we** receive under any of the **property rights** must be used to reduce or pay off the **secured liabilities**. This does not apply if the money is paid because of a defect in the **property** or damage to it and **you** decide instead to use the money to put right the defect or damage.
- 13.4 If an **event of default** occurs, **we** can transfer any of the **property rights** to another person.

14. Transfer of mortgage

- 14.1 **We** may transfer some or all of **our** rights under the **mortgage** to another person at any time but any such transfer won't reduce **your** rights under the **mortgage**.
- 14.2 If **we** transfer all of **our** rights under the **mortgage you'll** cease to be a borrowing member of Nationwide Building Society.
- 14.3 **We** may release information about **you** to the person to whom **we** transfer, or are proposing to transfer, the **mortgage** or any of **our** rights under it.

15. Power of attorney

By way of security, **you** irrevocably appoint **us** and (as a separate appointment) any receiver **we** appoint to be **your** attorney and to do the following in **your** name and on **your** behalf:

- (a) exercise, enforce, defend or dispose of any of the **property rights** and receive and use any money which becomes payable under them or for them;
- (b) give any notice and take any proceedings which are needed to exercise, enforce or defend any of the **property rights**;
- (c) execute any document and do anything which is needed to allow any of **our** rights, powers and remedies under the **mortgage** to be effectively exercised, enforced or defended, to include exchanging information with any subsequent chargee, housing association or freeholder or other party who has an interest in the **property**;
- (d) execute any document and do anything needed to remedy any failure by **you** to meet these **conditions** including registration of any document at the Land Registry, Registers of Scotland or the Registry of Deeds if **we** require to do so.

16. Notices

We may give **you** notice, or make a demand, under these **conditions** by:

- (a) posting it addressed to **you** by name at the **property** (in which case **we** can assume that **you'll** have received the notice or demand 48 hours after posting); or
- (b) sending it by email to an email address **you** have given **us** (in which case **we** can assume that **you'll** have received the notice or demand on the day **we** sent the email, unless **we** receive an electronic notification that the email did not reach **you**).

17. General

- 17.1 Any omission, failure or delay on **our** part in exercising any of **our** rights under the **mortgage offer** or these **conditions** shall not prevent **us** from exercising those rights either later or on another occasion.
- 17.2 If at any time **we** receive or are deemed to have received notice of subsequent security over any of the **property**, then **we** may open a new account with **you**. If **we** do not open a new account, **we** will be treated as having done so at the time the relevant notice of subsequent security was received by **us** and as from that time all payments made by **you** or on **your** behalf to **us** will be credited or be treated as having been credited to the relevant new account and not as having been applied in discharge of the **secured liabilities**.
- 17.3 **We** may obtain information held by **your** legal advisor (including information contained in documents protected by legal privilege) which is relevant to the **loan**, these **conditions** or the **mortgage** and, when necessary, **we** may recover any documents containing such information from an agent or regulatory body if the advisor has ceased to practice.
- 17.4 **We** may record or monitor telephone calls in order to avoid possible misunderstandings and help maintain customer service.
- 17.5 In addition to **our** right to make changes under **conditions** 4.14, 4.15, 5.5 and 6, **we** may change, remove or add to any of these **conditions** at any time for any of the following reasons:
- (a) to take account, in a proportionate way, of changes in general banking or building society practice for the benefit of consumers as a whole;
 - (b) to be fairer to **our** members as a whole;
 - (c) to correct any errors;
 - (d) to make them easier to understand;
 - (e) to reflect legal or regulatory requirements.

We'll give **you** not less than three **months'** notice under **condition** 16 of any such changes.

18. Trust of reversion

Please note: This condition only applies if the property is in Northern Ireland

Until the **debt** is paid off **you** hold the leasehold or freehold reversion in the **property** in trust for **us**. **We** may require **you** to assign or dispose of such reversion as **we** see fit. **We** may also at **our** sole discretion and at any time remove **you** from being a trustee of such reversion and appoint **ourselves** or any other person or persons to act as trustees of such reversion in **your** place. The statutory power of appointment of new trustees given under the Trustee Act (Northern Ireland) 1958 is extended accordingly.

19. Standard conditions

Please note: This condition only applies if the property is in Scotland

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

Standard conditions

Please note: These standard conditions only apply if the property is in Scotland

These are the standard conditions contained in Schedule 3 of the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended, referred to in the foregoing General Mortgage Conditions 2018:

Conveyancing and Feudal Reform (Scotland) Act 1970 (as amended by the Redemption of Standard Securities (Scotland) Act 1971)

Schedule 3

The Standard Conditions

1. Maintenance and repair

It shall be an obligation on the debtor:

- (a) to maintain the security subjects in good and sufficient repair to the reasonable satisfaction of the creditor;
- (b) to permit, after seven clear days notice in writing, the creditor or his agent to enter upon the security subjects at all reasonable times to examine the condition thereof;
- (c) to make all necessary repairs and make good all defects in pursuance of his obligation under head (a) of this condition within such reasonable period as the creditor may require by notice in writing.

2. Completion of buildings etc. and prohibition of alterations etc.

It shall be an obligation on the debtor:

- (a) to complete, as soon as may be practicable, any unfinished buildings or works forming part of the security subjects to the reasonable satisfaction of the creditor;
- (b) not to demolish, alter or add to any buildings or works forming part of the security subjects, except in accordance with the terms of a prior written consent of the creditor and in compliance with any consent, licence or approval required by law;
- (c) to exhibit to the creditor at his request evidence of that consent, licence or approval.

3. Observance of conditions in title, payment of duties, charges, etc., and general compliance with requirements of law relating to security subjects

It shall be an obligation on the debtor:

- (a) to observe any condition or perform any obligation in respect of the security subjects lawfully binding on him in relation to the security subjects;
- (b) to make due and punctual payment of any ground burden, teind, stipend, or standard charge, and any rates, taxes and other public burdens, and any other payments exigible in respect of the security subjects;
- (c) to comply with any requirement imposed upon him in relation to the security subjects by virtue of any enactment.

4. Planning notices, etc.

It shall be an obligation on the debtor:

- (a) where he has received any notice or order, issued or made by virtue of the Town and Country Planning (Scotland) Acts 1947 to 1969 or any amendment thereof, or any proposal so made for the making or issuing of any such notice or order, or any other notice or document affecting or likely to affect the security subjects, to give to the creditor, within fourteen days of the receipt of that notice, order or proposal, full particulars thereof;
- (b) to take, as soon as practicable, all reasonable or necessary steps to comply with such a notice or order or, as the case may be, duly to object thereto;
- (c) in the event of the creditor so requiring, to object or to join with the creditor in objecting to any such notice or order or in making representations against any proposal therefor.

5. Insurance

It shall be an obligation on the debtor:

- (a) to insure the security subjects or, at the option of the creditor, to permit the creditor to insure the security subjects in the names of the creditor and the debtor to the extent of the market value thereof against the risk of fire and such other risks as the creditor may reasonably require;
- (b) to deposit any policy of insurance effected by the debtor for the aforesaid purpose with the creditor;
- (c) to pay any premium due in respect of any such policy, and, where the creditor so requests, to exhibit a receipt therefor not later than the fourteenth day after the renewal date of the policy;
- (d) to intimate to the creditor, within fourteen days of the occurrence, any occurrence which may give rise to a claim under the policy, and to authorise the creditor to negotiate the settlement of the claim;

- (e) without prejudice to any obligation on the contrary enforceable against him, to comply with any reasonable requirement of the creditor as to the application of any sum received in respect of such a claim;
- (f) to refrain from any act or omission which would invalidate the policy.

6. Restriction on letting

It shall be an obligation on the debtor not to let, or agree to let, the security subjects, or any part thereof, without the prior consent in writing of the creditor, and “to let” in this condition includes to sub-let.

7. General power of creditor to perform obligations etc. on failure of debtor and power to charge debtor

- (1) The creditor shall be entitled to perform any obligation imposed by the standard conditions on the debtor, which the debtor has failed to perform.
- (2) Where it is necessary for the performance of any obligation as aforesaid, the creditor may, after giving seven clear days notice in writing to the debtor, enter upon the security subjects at all reasonable times.
- (3) All expenses and charges (including any interest thereon), reasonably incurred by the creditor in the exercise of a right conferred by this condition, shall be recoverable from the debtor and shall be deemed to be secured by the security subjects under the standard security, and the rate of any such interest shall be the rate in force at the relevant time in respect of advances secured by the security, or, where no such rate is prescribed, shall be the bank rate in force at the relevant time.

8. Calling-up

The creditor shall be entitled, subject to the terms of the security and to any requirement of law, to call-up a standard security in the manner prescribed by section 19 of this Act.

9. Default

- (1) The debtor shall be held to be in default in any of the following circumstances, that is to say:
 - (a) where a calling-up notice in respect of the security has been served and has not been complied with;
 - (b) where there has been a failure to comply with any other requirement arising out of the security;
 - (c) where the proprietor of the security subjects has become insolvent.
- (2) For the purposes of this condition, the proprietor shall be taken to be insolvent if:
 - (a) he has become notour bankrupt, or he has executed a trust deed for behoof of, or has made a composition contract or arrangement with, his creditors;

- (b) he has died and a judicial factor has been appointed under section 11A of the Judicial Factors (Scotland) Act 1889 to divide his insolvent estate among his creditors, or his estate falls to be administered in accordance with an order under section 421 of the Insolvency Act 1986;
- (c) where the proprietor is a company, a winding-up order has been made with respect to it, or a resolution for voluntary winding-up (other than a members' voluntary winding-up) has been passed with respect to it, or a receiver or manager of its undertaking has been duly appointed, or possession has been taken, by or on behalf of the holders of any debentures secured by a floating charge, of any property of the company comprised in or subject to the charge.

10. Rights of creditor on default

- (1) Where the debtor is in default, the creditor may, without prejudice to his exercising any other remedy arising from the contract to which the standard security relates, exercise, in accordance with the provisions of Part II of this Act and of any other enactment applying to standard securities, such of the remedies specified in the following sub-paragraphs of this standard condition as he may consider appropriate.
- (2) He may proceed to sell the security subjects or any part thereof.
- (3) He may enter into possession of the security subjects and may receive or recover the rents of those subjects or any part thereof.
- (4) Where he has entered into possession as aforesaid, he may let the security subjects or any part thereof.
- (5) Where he has entered into possession as aforesaid there shall be transferred to him all the rights of the debtor in relation to the granting of leases or rights of occupancy over the security subjects and to the management and maintenance of those subjects.
- (6) He may effect all such repairs and may make good such defects as are necessary to maintain the security subjects in good and sufficient repair, and may effect such reconstruction, alteration and improvement on the subjects as would be expected of a prudent proprietor to maintain the market value of the subjects, and for the aforesaid purposes may enter on the subjects at all reasonable times.
- (7) He may apply to the court for a decree of foreclosure.

11. Exercise of right of redemption

- (1) The debtor shall be entitled to exercise his right (if any) to redeem the security on giving notice of his intention so to do, being a notice in writing (hereinafter referred to as a "notice of redemption").

- (2) Nothing in the provisions of this Act shall preclude a creditor from waiving the necessity for a notice of redemption, or from agreeing to a period of notice of less than that to which he is entitled.
- (3)
 - (a) A notice of redemption may be delivered to the creditor or sent by registered post or recorded delivery to him at his last known address, and an acknowledgement signed by the creditor, or his agent or a certificate of postage by the person giving the notice accompanied by the postal receipt shall be sufficient evidence of such notice having been given.
 - (b) If the address of the creditor is not known, or if the packet containing the notice of redemption is returned to the sender with intimation that it could not be delivered, a notice of redemption may be sent to the Extractor of the Court of Session and an acknowledgement of receipt by him shall be sufficient evidence of such notice having been given.
 - (c) A notice of redemption sent by post shall be held to have been given on the next day after the day of posting.
- (4) When a notice of redemption states that a specified amount will be repaid and it is subsequently ascertained that the whole amount due to be repaid is more or less than the amount specified in the notice, the notice shall nevertheless be effective as a notice of repayment of the amount due as subsequently ascertained.
- (5) Where the debtor has exercised a right to redeem, and has made payment of the whole amount due, or has performed the whole obligations of the debtor under the contract to which the security relates, the creditor shall grant a discharge in the terms prescribed in section 17 of this Act.

12. The debtor shall be personally liable to the creditor for the whole expenses of the preparation and execution of the standard security and any variation, restriction and discharge thereof and, where any of those deeds are recorded, the recording thereof, and all expenses reasonably incurred by the creditor in calling-up the security and realising or attempting to realise the security subjects, or any part thereof, and exercising any other powers conferred upon him by the security.

Interpretation

In this Schedule, where the debtor is not the proprietor of the security subjects, “debtor” means “proprietor”, except:

- (a) in standard conditions 9(1), 10(1) and 12, and
- (b) in standard condition 11, where “debtor” includes the proprietor.

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