

# Metro Bank Mortgage Terms and Conditions - January 2023

This document sets out our Mortgage Conditions for customers of Metro Bank PLC (Mortgage Conditions (January 2023)). Together with your Mortgage Offer Letter and Mortgage Deed, this document forms part of the legal charge or standard security in favour of Metro Bank PLC in relation to your mortgaged Property. Please read this document carefully and keep it in a safe place together with your Mortgage Offer Letter for future reference. Please ask your Conveyancer to explain these Mortgage Conditions before you go ahead with your Mortgage.

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## TERMS AND CONDITIONS

### A OUR MORTGAGE AGREEMENT WITH YOU

#### 1 You – our customer and we – Metro Bank PLC

- 1.1 'You' means every person named in the Mortgage Deed as 'you' or the 'Borrower' and anyone who takes over the rights or duties of any person so named, such as someone who takes a transfer of that person's rights (with our permission where required by these Mortgage Conditions), or who is that person's successor or personal representative.
- 1.2 If more than one person is named in the Mortgage Deed as 'you' or the 'Borrower' then the obligations imposed by the Mortgage on each of those persons are joint and several. This means that each one of you has full responsibility to meet all of the obligations imposed on you under the Mortgage and we can enforce our rights against any or all of you, including the obligation to repay the Amount You Owe.
- 1.3 If you are a trustee, the obligations you accept as trustee will bind you personally.
- 1.4 'We', 'us' or 'the Bank' means Metro Bank PLC, and includes any person or persons who takes over our business or the Mortgage (whether or not by an outright transfer and whether in relation to all or part of the Amount You Owe) and may at any time mean more than one of them. This includes any person we make a transfer to under Condition 24.

#### 2 How these mortgage conditions work

- 2.1 This document is made up of three Parts:
  - (a) this Part A explains what makes up the terms and conditions of your Mortgage and defines a number of words and phrases which have a special meaning in our agreement with you;
  - (b) Part B sets out the General Conditions that apply to your Mortgage; and
  - (c) Part C contains certain important information about us and how you can contact us.
- 2.2 Our agreement with you relating to your Mortgage is contained in:
  - (a) these Mortgage Conditions;
  - (b) your Mortgage Offer Letter. This is the letter in which we make you a formal offer to lend money to you secured on the Property. Where we have offered you a Further Advance, references to the Mortgage Offer Letter cover both the offer letter relating to the First Advance and any offer letter relating to a Further Advance;
  - (c) the Mortgage Deed. This is the legal document you sign to give us a charge or standard security over the Property which secures the Amount You Owe; and
  - (d) any Guarantee.
- 2.3 If there is any contradiction between any of the terms set out in these Mortgage Conditions, the Mortgage Offer Letter and the Mortgage Deed, then:
  - (a) the terms in the Mortgage Offer Letter will prevail over any contradictory terms in the Mortgage Deed and these Mortgage Conditions; and
  - (b) the terms in the Mortgage Deed will prevail over any contradictory terms in these Mortgage Conditions.
- 2.4 In addition to our agreement with you, the general law (for example, about our rights in relation to the Property) applies to the Mortgage. Under the general law, both you and we may have rights and liabilities in addition to those which you or we have under our agreement with you. Except where these rights and liabilities are expressly varied or excluded by the Mortgage, they are not affected by our agreement with you. For further information about your rights and liabilities under the general law, please contact your Conveyancer.

### B GENERAL CONDITIONS

#### DEFINED TERMS

#### 3 Defined terms

- 3.1 Some words in our agreement with you have a special meaning. Other than the words 'you' 'us' and 'we' which have the meanings given in Conditions 1.1 to 1.4, we indicate which words have a special meaning by showing them in the agreement with the first letter in capitals. We set out below the special meanings of all these defined terms.

## TERMS AND CONDITIONS (*continued*)

**Amount You Owe** means all the money you owe us from time to time under these Mortgage Conditions (including any updated or amended Mortgage Conditions which replace these Mortgage Conditions). This applies to any money we lend to you both initially and subsequently (including Further Advances), under a Mortgage Offer Letter, together with any interest or Charges. We will charge you interest on this amount. Conditions 9 and 19.11 explain this further;

**Bank of England Base Rate** means the Bank of England's Official Bank Rate (or, if that rate ceases to exist, the nearest equivalent interest rate reasonably selected by us set by the Bank of England or by any central bank or monetary authority which replaces the Bank of England or takes over its functions in relation to the setting of interest rates which are widely used as the basis on which banks in the United Kingdom set their lending rates);

**Banking Weekday** means any day from Monday to Friday, other than public holidays in England. These are the days that other banks are typically open;

**Borrower** means the person, or persons or company, who are entering into the Mortgage;

**Buy To Let Mortgage** means a Mortgage identified as a Buy To Let Mortgage in your Mortgage Offer Letter;

**Charge** means any Fee or Expense or Early Repayment Charge;

**Cleared Funds** means money that we have received from you. Where you pay us in the form of a cheque from another bank, the time it takes us to get cleared funds reflects the time it takes us to send the cheque to the other bank and for that bank to deal with it, including deciding whether it can pay the cheque and telling us if they decide not to pay it;

**Combined Payment** means a Monthly Payment which is attributable (i) in part to repayment of the Outstanding Capital you have borrowed from us plus other previously agreed amounts forming part of the Outstanding Capital under the Mortgage and (ii) in part to payment of interest which we charge you on the Outstanding Capital (whether or not on particular occasions the payment is attributable wholly to interest or wholly to capital);

**Conveyancer** means the solicitor or licensed conveyancer acting for you in relation to the Mortgage;

**Deed of Consent** means a document that is signed to protect the Bank should it need to repossess the property. If the Property is in England and Wales, it is signed by all people over the age of 17, such as your children, to say that they will not be able to claim any rights over the Property. If the Property is in Scotland, it is signed by any non-entitled spouse in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 as amended or any civil partner in terms of the Civil Partnership Act 2004 to say that they will not claim any rights over the Property, or the Borrower to say that there is no party entitled to claim any such rights over the Property;

**Direct Debit** means the method of payment we use to collect your Monthly Payment;

**Early Repayment Charge** means any additional charge which your Mortgage Offer Letter says you have to pay us if, within the period specified in your Mortgage Offer Letter, (i) you pay off the Amount You Owe or (ii) you pay off a Loan Part or (iii) you make a lump sum repayment which exceeds any maximum amount which your Mortgage Offer Letter says you may repay without payment of any additional charge;

**Expense** means (i) a reasonable proportion of the internal staff costs and other administrative expenses we reasonably incur plus (ii) any costs, taxes, charges, expenses or legal fees we or a Receiver reasonably pay to other persons (not being members of our staff), where in each case these amounts are paid in connection with:

- (a) the creation, protection, preservation, or rightful enforcement of our security; or
- (b) exercising any of our rights or powers to protect, preserve or realise the value of the Property; or
- (c) any steps taken or payments made by us to avert or prevent possession proceedings by the landlord/housing association in respect of any Property which is held under a shared ownership lease including any rent or service charges you have failed to pay in accordance with the terms of such lease and any costs associated with such lease; or
- (d) the recovery of any money you owe us under the Mortgage; or
- (e) insuring the Property, where permitted by Condition 14.5; or
- (f) our reasonably bringing or defending legal proceedings relating to the Mortgage (whether or not you are a party to the proceedings); or
- (g) the administration of your Mortgage where you fail to pay some or all of the interest due as part of your Monthly Payment; or
- (h) finding you (or trying to find you) if you do not supply us with up-to-date contact details, provided we have not charged you for this under another agreement;

## TERMS AND CONDITIONS (*continued*)

In some cases our expenses may be standardised, as we explain in Condition 19;

**Fee** means a standardised charge as described in our Tariff of Charges which we make in return for our providing you with a service which you are not obliged to receive but which you have requested in connection with your Mortgage, including amongst other things our fee for:

- (a) processing your application for the Mortgage;
- (b) carrying out any valuation or inspection in connection with the Mortgage;
- (c) providing you with a particular type of Loan;
- (d) providing you with a Further Advance; and
- (e) carrying out a change which you ask us to make in the way a Loan is to be repaid, or in the type of Interest Rate we charge; and
- (f) our Mortgage Discharge Fee;

**First Advance** means the first advance we make to you on the security of the Mortgage;

**Funds Release Fee** means a fee we charge for sending the Loan to you, or your Solicitor/Conveyancer;

**Further Advance** means any amount we lend you under the Mortgage after the First Advance;

**Guarantee** means an undertaking to guarantee the Borrower's obligations to us;

**Guarantor** means a director of the company who is a person or persons providing a Guarantee;

**Insolvency Event** means at any time in relation to a corporate Borrower, the occurrence of any of the following events at that time:

- (a) such person is unable to pay its debts as and when they fall due or, within the meaning of section 123(1) or (2) (as if the words "it is proved to the satisfaction of the court that" did not appear in section 123(2)) of the Insolvency Act 1986), is deemed unable to pay its debts; or
- (b) an order is made or a resolution is passed for the winding-up of such person or the appointment of an administrator over such person except a winding up for the purposes of or pursuant to an amalgamation or reconstruction on solvent grounds; or
- (c) proceedings are initiated against such person under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, application or pending application for an administration order, presentation of a petition for a winding up, filing of documents with the court for administration or the service of a notice of intention to appoint an administrator) and such proceedings are not, in the opinion of the affected person, being disputed in good faith with a reasonable prospect of success; or
- (d) an administration order is granted, or any notice of intention to appoint an administrator, or notice of appointment of an administrator is filed in relation to such person; or
- (e) an administrative receiver or other receiver, administrator, examiner, liquidator or other similar official is appointed in relation to such person or in relation to all or any part of the undertaking, property or assets of such person; or
- (f) an encumbrancer takes possession of all or any material part of the undertaking, property or assets of such person; or
- (g) a distress, diligence, execution or other process is levied or enforced upon or sued out against all or any material part of the undertaking, property or assets of such person and such possession or process (as the case may be) is not discharged or has not ceased to apply within 15 Business Days; or
- (h) any event analogous to any of the events in (a) to (g) above occurs in relation to such person in any other jurisdiction; or
- (i) such person initiates or consents to proceedings relating to itself under applicable liquidation, administration, insolvency, composition, examinership, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally;

**Interest-Only Loan** means a Loan or Loan Part where your Monthly Payments only cover interest and you repay the Outstanding Capital at the end of the Mortgage Term;

**Interest Period** means, in relation to any Loan we make to you:

- (a) the period from the day the Loan is made until 24.00 hours on the day before the first Payment Day; and
- (b) each subsequent period starting at 00.00 hours on a Payment Day and ending at 24.00 hours on the day before the next Payment Day;

**Interest Rate** means the rate or rates of interest we charge you under the Mortgage set out in your Mortgage Offer and varied in accordance with Condition 22.3;

## TERMS AND CONDITIONS (*continued*)

**Leasehold Reform Acts** means the Leasehold Reform Act 1967, the Landlord and Tenant Act 1987, the Leasehold Reform, Housing and Urban Development Act 1993 (as amended by the Commonhold and Leasehold Reform Act 2002) and the Commonhold and Leasehold Reform Act 2002 or any of them and any other legislation which gives tenants the right to acquire a new or more extensive interest in the property leased or in the land or buildings of which it forms part;

**Loan** means the amount of money we lend, or re-lend, to you under a Mortgage Offer Letter;

**Loan Part** means a part of a Loan which your Mortgage Offer Letter says you must repay using a particular repayment method (repayment or interest only) or on which you must pay interest at a particular rate or rates (for example, a fixed rate or a rate which tracks our Standard Variable Rate);

**Metro Bank Working Day** means a day on which we are open for business. We are generally open for business 24 hours each day of the year (except Christmas Day, New Year's Day, and Easter Sunday);

**Monthly Payment** means the amount or amounts you must pay us on a monthly basis as set out in your Mortgage Offer Letter which we may vary from time to time as set out in Condition 18.2

**Mortgage** means the agreement between you and us set out in these Mortgage Conditions together with your Mortgage Offer Letter and Mortgage Deed;

**Mortgage Account** means the account we keep for recording the Amount You Owe. We make a debit entry on this account where the Amount You Owe goes up (e.g. where we lend you more money secured under the Mortgage). We make a credit entry on this account where the Amount You Owe goes down (e.g. where we receive a Monthly Payment from you);

**Mortgage Conditions** means these conditions;

**Mortgage Deed** means the legal document you sign to give us a charge or standard security over the Property to secure the Amount You Owe;

**Mortgage Discharge Fee** means the Fee we charge you for discharging our security which is set out in our Tariff of Charges;

**Mortgage Offer Letter** means the letter in which we make you a formal offer to make a Loan to you on the security of the Property and any amendment to the letter which we agree with you before we make the Loan. Where we have offered you a Further Advance, references to the Mortgage Offer Letter cover both the offer letter relating to the First Advance and any offer letter relating to a Further Advance;

**Mortgage Sub-Account** means any part of the Mortgage Account which we keep for recording the amount you owe to us under different types of Loan under the Mortgage, including different Loan Parts. If your Loan is comprised of more than one Loan Part (for instance if it is part-interest only and part-capital repayment or part-variable rate and part-fixed rate), we may keep a separate Mortgage Sub-Account for each Loan Part;

**Mortgage Term** means the period for the repayment of the Loan set out in your Mortgage Offer Letter;

**New Mortgage** is defined in Condition 18.16(c);

**New Property** is defined in Condition 18.16(a);

**Outstanding Capital** means the outstanding capital balance of the Loan, exclusive of any unpaid interest and Charges. This is the part of the Amount You Owe on which we calculate your Monthly Payment;

**Payment Day** means the day of the month on which your Monthly Payment falls due and is payable or the next working day if the Payment Day falls on a weekend or a bank holiday;

**Property** means all of the property described in the Mortgage Deed, including all buildings, fixtures and additions. References to the Property include references to any part or parts of the Property;

**Receiver** means any person or persons we appoint to be a receiver of all or any part of a Property in England and Wales and any person who replaces that receiver;

**Regulatory Requirement** means any obligation we have to comply with any law, regulation or rule or a decision of any court, ombudsman or other authority;

**Repayment Loan** means a Loan or Loan Part which you repay with interest over the Mortgage Term so that your Monthly Payment normally comprises both a capital repayment and an interest payment;

**Solicitor** means the solicitor or licensed conveyancer acting for you in relation to the Mortgage;

**Standard Variable Rate** means any benchmark rate of interest for certain of our variable rate loans which we publish and includes our SVR, Standard Variable Rate, the Metro Bank Standard Variable Rate or the Buy to Let Standard Variable Rate (as distinct, for example, from a fixed rate, a rate which tracks the Bank of England Base Rate or any other reference rate which we control);

## TERMS AND CONDITIONS (*continued*)

**Tariff of Charges** means our tariff of charges as published by us from time to time and varied in accordance with the provisions of Condition 19;

**Tenancy** refers to acceptable forms of tenancy agreements as per our Mortgage Lending Criteria

**Tenants** refers to acceptable tenants as per our Mortgage Lending Criteria

**Transfer Balance** is defined in Condition 18.17(a).

### CONTACT AND GIVING INSTRUCTIONS TO US

#### 4 Contacting each other

- 4.1 Our contact details are set out under 'How to contact us' in Part C.
- 4.2 We may contact you using any contact details you have provided to us. We may want to contact you to tell you something about your mortgage or our services. You should make sure that your preferred arrangements for receiving communication from ourselves are safe and it will be treated as received.
- 4.3 You must tell us if your name or any of your contact details change (please see 'How to contact us' in Part C which explains how to do this). If you do not tell us, we will continue to use the details you last gave us. We will not be responsible if we fail to contact you because we are using the details you last gave us. We will also not be responsible if we send your statements or other private information to the wrong address (including an electronic address) using the details you last gave us.
- 4.4 We may charge you our reasonable costs of finding you (or trying to find you) if you do not supply us with up-to-date contact details. These costs will be Expenses. If we charge you for those costs under any agreement we have with you relating to your bank account, we will not charge you again under these Mortgage Conditions.
- 4.5 We may monitor and record any phone calls with you to check we have carried out your instructions correctly, to resolve complaints, to help improve our service, and to help prevent fraud or other crimes. In the interests of security, we may use CCTV recording equipment in and around our stores. Any recordings we make will belong to us.
- 4.6 You can usually use our online banking and telephone banking services at any time but repairs, updates and routine maintenance on our systems and those of our suppliers may mean that particular services are slow or unavailable from time to time. We will try to warn you in advance if this is going to happen, but it may not always be possible to do so. We have a reduced number of services available through our telephone banking service outside our normal store hours. Please ask us if you would like more information on this.

#### 5 Statements and notices

- 5.1 We will:
  - (a) once in each calendar year, send you a statement which contains information on the mortgage payments you have made over the previous twelve months and the Amount You Owe;
  - (b) notify you of any change to your Monthly Payment. We will send this notice not less than 14 days before the first Payment Day on which the new Monthly Payment is due to be paid. Condition 7.2 sets out when your Monthly Payment may be changed;
  - (c) notify you of any change to the Interest Rate at the same time as we notify you of the new Monthly Payment resulting from the change.
- 5.2 We will send statements and interest rate change notices to you to the correspondence address held for each of you. Alternatively, we may send these by email to the email address we hold for you (or, where there is more than one of you, to the primary email address we hold for you).
- 5.3 You should check your statements when you get or access them and let us know as soon as you can if you think they include anything that appears wrong to you, or if you think that there is anything missing which should have been included.
- 5.4 We will tell you if:
  - (a) we are changing the way in which you make Monthly Payments, either in response to a request from you or because we have decided to do this in the circumstances described in Condition 7.1;
  - (b) we agree to a request from you to change your Payment Day, in which case we will tell you what your new Payment Day is and whether the Interest Period which we use to calculate your first Monthly Payment after the change will be longer or shorter than one month; or
  - (c) you have asked us to write to you to tell you how much you need to pay to pay off the Amount You Owe in full.

## TERMS AND CONDITIONS (*continued*)

- 5.5 When we tell you about any of the things described in Condition 5.4, we will use the same method that we use to send your annual statements, notices of changes in your Monthly Payment and in the Interest Rate under Conditions 5.1 and 5.2
- 5.6 If we have to serve any other notice in relation to the Mortgage then we will send that notice in writing to:
- (a) for Borrowers other than those with a Buy To Let Mortgage, the Property or to the latest address we have for you or your successor on our records, addressed to each of you; or
  - (b) for Borrowers with a Buy To Let Mortgage, to your registered office (if applicable) or the latest address we have for you on our records.
- Alternatively, we may send these by email to the email address we hold for you (or, where there is more than one of you, to the primary email address we hold for you). A notice served on any person representing you sent in this way will be effective even if it does not name him or her. If the Property is jointly owned, it will be sufficient if any notice to be served under this Condition 5.6 is served on the first one of you named in the Mortgage Deed.
- 5.7 Any notice sent by first or second class post will be treated as given on the day when it would arrive in the normal course of post. If there is publicised industrial action affecting normal postal delivery times, this shall be taken into account when deciding whether and when notice has been given. Electronic notices will be treated as given on the day they are sent.

## LOAN CONDITIONS

### 6 Repayment loans and interest-only loans

- 6.1 If you have a Repayment Loan you must:
- (a) pay the interest we charge in relation to the Repayment Loan by making your Combined Payments over the Mortgage Term; and
  - (b) repay the Amount You Owe by the end of the Mortgage Term or earlier in line with your Mortgage Offer Letter
- 6.2 If you have an Interest-Only Loan you must:
- (a) pay the interest we charge in relation to the Interest-Only Loan by making your Monthly Payments;
  - (b) provide evidence to us when requested, that your repayment vehicle remains a suitable vehicle to repay your Mortgage at the end of the Mortgage Term. We will not request this information from you more regularly than every two years; and
  - (c) repay the Amount You Owe by the end of the Mortgage Term or earlier in line with your Mortgage Offer Letter.
- 6.3 If the Amount You Owe includes both one or more Repayment Loans and one or more Interest-Only Loans, your payment obligation will be dealt with partly under Condition 6.1 and partly under Condition 6.2.
- 6.4 You can apply to lengthen or shorten your Mortgage Term. If we agree to make the change we will provide you with a Mortgage Offer Letter confirming the effects this change will have on your Mortgage.
- 6.5 You can apply to change any Loan or Loan Part from a Repayment Loan to an Interest-Only Loan or from an Interest-Only Loan to Repayment Loan. If we agree to make the change we will provide you with a Mortgage Offer Letter confirming the effects this change will have on your Mortgage.
- 6.6 Where you ask to make a change under Condition 6.4 or 6.5 above, we will not refuse to make the change provided you satisfy the conditions we reasonably require at the relevant time.
- 6.7 The Loan may be made to you for more than one purpose. We may charge you a different Interest Rate in respect of Loan Parts made for different purposes or at different times. This will be set out in the Mortgage Offer Letter.
- 6.8 If you have an Interest-Only Loan you are responsible for ensuring you have a means of repayment which is suitable to repay that Loan at the end of the Mortgage Term. You should regularly review your chosen means of repayment to make sure it continues to be suitable and that it is on track to repay the Loan at the end of the Mortgage Term. If the repayment vehicle produces insufficient funds to repay the Amount You Owe at the end of the Mortgage Term, you or we may have to sell the Property to try to repay the Loan.
- 6.9 We record the Amount You Owe us in relation to your Mortgage in your Mortgage Account.
- 6.10 We may change any Loan or Loan Part from an Interest-Only Loan to a Repayment Loan if:
- (a) you fail to provide evidence of your repayment vehicle to us when requested; or

## TERMS AND CONDITIONS (*continued*)

- (b) the evidence provided by you indicates that your repayment vehicle is not a suitable vehicle to repay your Mortgage at the end of the Mortgage Term.

We will seek to contact you to discuss the options available for you in the case of (a) or (b) above and will act reasonably in exercising our powers under this Condition 6.10 and in accordance with our Regulatory Requirements.

Where (a) applies we will give you reasonable time to provide the evidence requested. Where (b) applies, where possible, we will give you a reasonable time to provide us with further evidence (which is reasonably satisfactory to us) which indicates that your repayment vehicle is anticipated to be sufficient to repay your Mortgage at the end of your Mortgage Term.

- 6.11 The effect of any such change made in accordance with 6.10 will be to require you to increase your Monthly Payment to provide for the repayment of Outstanding Capital in addition to the payment of interest. Where we do this, we will give you at least 2 months' prior written notice of the change and will tell you the amount of your revised Monthly Payment and the first Payment Day from which the revised amount is payable.
- 6.12 Where your Loan is made up of more than one Loan Part:
- (a) we will keep a separate Mortgage Sub-Account for each different Loan Part. This enables us to keep track of the different amounts you owe under the Mortgage;
  - (b) where we add an amount to the Amount You Owe (such as a Charge which we add under Condition 19.11 or a Fee which your Mortgage Offer Letter says is to be added to the Outstanding Capital), then if you tell us which Loan Part you want us to add that amount to, we will add that amount to that Loan Part. If you do not tell us but the amount is connected to a particular Loan Part, we will add it to that Loan Part. Otherwise, we will add it to the Loan Part with the lowest applicable Interest Rate;
  - (c) where we deduct an amount from the Amount You Owe otherwise than to reflect your normal Monthly Payments (for instance where you pay off some Outstanding Capital as an early repayment) then you may tell us which Loan Part you want us to deduct this from. If you do not tell us, we may choose to deduct that amount only from one Loan Part (and if so we may choose which one) or to split that amount across different Loan Parts (and if so we may choose how). If the choice is ours, we will try to make the deductions in a way which minimizes the Charges you must pay; and we will reflect these additions and deductions by recording them in your Mortgage Sub-Accounts.

## **7 Your monthly payments**

- 7.1 You must pay your Monthly Payment to us on the Payment Day in every month until the Amount You Owe is repaid in full. You must pay the Monthly Payment by Direct Debit:
- (a) for individual Borrowers from a UK personal current account registered in your name;
  - (b) for corporate Borrowers from a business account registered in the company's name, unless we agree with you in writing to use another payment method.
- 7.2 We will tell you the amount of your initial Monthly Payment relating to the First Advance or any Further Advance in your Mortgage Offer Letter. The amount of your Monthly Payments may be changed as follows:
- (a) we will change the Monthly Payment whenever necessary to reflect a change in the Interest Rate;
  - (b) we may also change the Monthly Payment to take account of any change to your Outstanding Capital.
- 7.3 Where we change the Monthly Payment under Condition 7.2 we will give you notice of your changed Monthly Payment under Condition 5.1(b). The change in the Monthly Payment will take effect on the Payment Day specified in the notice.
- 7.4 Where we change the Monthly Payment under Condition 7.2(a) or Condition 7.2(b) to reflect a change in the Interest Rate or Outstanding Capital, the first of the changed Monthly Payments which we notify to you may include a one off increase or reduction to reflect the amount by which the change has increased or reduced the interest which accrues between the date of the change and the Payment Day when you have to pay the first of the changed Monthly Payments.
- 7.5 You must make each Monthly Payment without any set-off or counterclaim. This means that you must make each Monthly Payment without any deduction for amounts we owe you and if you have a complaint or claim, whether under this Mortgage or under any other agreement you may have with us, you must deal with that separately.
- 7.6 Unless we agree otherwise with you, we will use any Monthly Payment or other payment made by you or applied by us on your behalf firstly for the purpose of paying off any Monthly Payments which are in arrears, then towards any unpaid interest and Charges and then your Outstanding Capital.



## TERMS AND CONDITIONS (*continued*)

- 7.7 We can issue you with a formal written demand for repayment. If we do this, you must pay us the Amount You Owe in full within two months. We will only do this if:
- (a) we reasonably believe you obtained the Loan as a result of fraud or you have made payments relating to the Mortgage or the Property which you obtained from criminal activity; or
  - (b) we need to give the notice to comply with the order or instruction of a court, ombudsman or other authority; or
  - (c) we need to give the notice to avoid breaching any Regulatory Requirement; or
  - (d) you fail to comply with your obligations under any lease and this failure results in a risk that our security over the Property under the Mortgage may be set aside (for example by forfeiture) or is otherwise unenforceable; or
  - (e) where the lease of the Property is a shared ownership lease you have failed to make the rent payments due or otherwise complied with the terms of the lease and we have been obliged to take steps to remedy any such breach, or we have been notified by the landlord of the shared ownership lease that it is considering commencing proceedings under any of the grounds in Schedule 2 of the Housing Act 1988; or
  - (f) or, where the Property is located in Scotland and where the lease of the Property is a shared ownership lease or agreement or exclusive occupancy agreement, you have failed to make the rent payments or occupancy charge due or otherwise failed to comply with the terms of the lease, agreement or exclusive occupancy agreement and we have been obliged to take steps to remedy any such breach, or we have been notified by the landlord of the shared ownership lease, agreement or exclusive occupancy agreement that it is considering commencing proceedings under any of the grounds in the lease, agreement, exclusive occupancy agreement, Scottish Government guidance or applicable legislation; or
  - (g) where the Property is a help to buy property you have failed to comply with the terms of any equity loan and/or any second charge registered against the Property; or
  - (h) you are in serious or persistent breach of these Mortgage Conditions (other than for the payment of money), or another legal requirement arising directly out of the Loan.

If we use this power, we will explain to you why we have done so, except where our telling you would cause us to breach any Regulatory Requirement.

## 8 Changing your payment day

- 8.1 Where we have agreed a Payment Day with you before the time we make the First Advance to you, that will be your Payment Day. If we have not agreed a Payment Day with you before that time, then the Payment Day will be the day of the month on which we make the First Advance to you.
- 8.2 We will change the Payment Day if you ask us to change it. Once we receive such a request from you, we will write to tell you when the changed Payment Day first comes into effect. We will also tell you whether the Interest Period which we use to calculate your first Monthly Payment after the change will be longer or shorter than one month. Additional interest charges may apply, but we will let you know about this before we make this change (as per 8.3).
- 8.3 If your first Payment Day is not the day of the month on which we make the First Advance to you, then your first Monthly Payment will cover an Interest Period which is either shorter or longer than one month. If shorter than one month, your initial monthly payment represents the interest that has accrued between the date of completion and your preferred payment date. If longer than one month, your initial monthly payment represents your contractual monthly payment plus any interest that has accrued between the date of completion and your preferred payment date. Similarly, if we agree to a change in your Payment Day, then the Interest Period before your next Payment Day will be longer (or if we agree with you, shorter) than one month. In either case, we will tell you how much your Monthly Payment is for that Interest Period.
- 8.4 If Condition 8.3 applies to a particular Interest Period then:
- (a) If you pay your Monthly Payments by Direct Debit, we will change the amount payable under the Direct Debit for the relevant Interest Period so you pay the Monthly Payment in full for that period;
  - (b) if you pay your Monthly Payments by standing order from an account with Metro Bank, we will change the amount payable under the standing order for the relevant Interest Period so you pay the Monthly Payment in full for that period;

## TERMS AND CONDITIONS (*continued*)

- (c) if you pay your Monthly Payments by standing order from an account with another bank, we will not be able to change your standing order. This means your usual standing order will not match the Monthly Payment amount you owe us for that Interest Period. In this case we will tell you what the difference is between the amount of your standing order and the amount of the Monthly Payment you owe us for that Interest Period. You will need to pay us any shortfall. If there is a surplus, we will use that to reduce your Outstanding Capital.

### **9 How we calculate your interest**

- 9.1 The interest you pay us will be calculated using the Interest Rate. The type of Interest Rate you will pay will be the type of rate or rates described in the Mortgage Offer Letter or any different type of rate which we subsequently agree with you in writing. If the Interest Rate is a variable rate, Condition 22 explains how it may increase or decrease and explains the circumstances in which we are permitted to make changes to the Interest Rate.
- 9.2 Interest will accrue on the Amount You Owe at the applicable Interest Rate from the day the First Advance is made. Interest on the Amount You Owe accrues daily. We will calculate interest on a daily basis, based on the Amount You Owe at the end of the previous day.
- 9.3 The interest charged on your Outstanding Capital will form part of your Monthly Payment or, in the case of an Interest-Only Loan, all of your Monthly Payment. Interest charged on any remainder of the Amount You Owe over and above the Outstanding Capital (such as a Charge which we add under Condition 19.11, or any prior Monthly Payments which remain unpaid) will not form part of your Monthly Payment and will accrue as compound interest. This means that interest will be charged on amounts of outstanding interest. If the Amount You Owe is higher than your Outstanding Capital you will need to make separate arrangements with us to repay the amount over your Outstanding Capital.
- Your Monthly Payment will be calculated on the assumption that each month is an equal twelfth part of the year. This means that, for instance, the total amount which you pay in February in any year will not be less than the amount which you pay in other months simply because February is a shorter month.
- 9.4 Where the Interest Rate increases or decreases, we will change the amount of your Monthly Payment under Condition 7.2.
- 9.5 If your Loan or any Loan Part is a Repayment Loan, the changed Monthly Payment which we work out under Condition 7.2 relating to the Repayment Loan will be a revised Combined Payment the amount of which will be calculated to ensure that you repay the Outstanding Capital of the Loan or Loan Part with interest by the end of the Mortgage Term. We will tell you the amount of the changed Monthly Payment under Condition 5.1(b).
- 9.6 If you fail to pay some or all of your Monthly Payment we will make reasonable efforts with you to agree a payment schedule to repay the payment shortfall. If some, or all, of the shortfall is not repaid in accordance with the terms agreed we may where Regulatory Requirements permit this, add the unpaid amount to the Outstanding Capital. Where an unpaid amount is added to the Outstanding Capital this will result in an increased balance of Outstanding Capital (the previous amount plus accrued unpaid interest) on which the next Monthly Payment will be calculated. Interest which is paid on a sum to which an earlier interest amount has already been added is referred to as compound interest. We will tell you in writing where we do this. Where we do this, your subsequent Monthly Payments will reflect the increase.
- 9.7 If we consent to you changing your Loan or any Loan Part from a Repayment Loan to an Interest-Only Loan or from an Interest-Only Loan to a Repayment Loan under Condition 6.5, the Interest Rate you will pay in respect of that Loan or Loan Part will be the same rate as originally stated in your Mortgage Offer Letter, unless otherwise agreed with us at the time of the change.
- 9.8 For the purposes of calculating interest under these Mortgage Conditions we shall not be obliged to take percentages beyond three places of decimals.

### **10 Your right to repay early**

- 10.1 You can pay the whole of the Amount You Owe before the end of the Mortgage Term without giving us advance notice. In order to pay the whole of the Amount You Owe, you must pay:
- (a) any Monthly Payment which remains outstanding;
  - (b) all sums owing to us in respect of the Outstanding Capital;
  - (c) any interest due from the start of the current Interest Period until the date of your payment;

## TERMS AND CONDITIONS (*continued*)

- (d) an Early Repayment Charge, if the Mortgage Offer Letter says an Early Repayment Charge is payable at that time. Your Early Repayment Charge period may be shorter than your mortgage product period depending on the date of completion and your monthly payment date. However, your Early Repayment Charge period will never exceed your mortgage product period;
- (e) any unpaid Charges, including the Mortgage Discharge Fee referred to in your Mortgage Offer Letter, inclusive of any unpaid interest accrued on the unpaid Charges; and
- (f) any other amounts included within the Amount You Owe which are not specified above.

If you ask us, we will tell you in writing how much you need to pay us to pay off the Amount You Owe in full.

- 10.2 You may repay part of the Amount You Owe before the end of the Mortgage Term by way of a lump sum payment. Your Mortgage Offer Letter will say whether you are required to pay a minimum amount and whether an Early Repayment Charge is payable. If you make a lump sum payment as permitted under the terms of your Mortgage Offer Letter, we will use this to reduce your Outstanding Capital from the day of receipt of Cleared Funds from you in the order described in Condition 7.6. We will change your next Monthly Payment amount to take into account the lump sum payment unless you make a payment so close to the Payment Day that it is not operationally practicable for us to change the Monthly Payment for the Payment Day, in which case the Monthly Payment will be changed from the following Payment Date.

### 11 Proceeds arising on sale or remortgage

- 11.1 We are required to confirm with you the source of wealth when redeeming your account and for any proceeds arising on sale or remortgage. We will be unable to release our charge over the Property until we have received satisfactory evidence of the source of wealth.
- 11.2 If we receive the proceeds of a remortgage of the Property with another lender or a sale of the Property and those proceeds are not enough to repay the Amount You Owe in full, you must pay us the balance of the Amount You Owe on demand. Until you have repaid the Amount You Owe in full, interest will continue to accrue and be payable in accordance with Condition 9, and you will remain liable under Condition 7 for paying us the Monthly Payment (which we will recalculate to take account of the money we have received following the remortgage or sale).

### 12 Guarantee

- 12.1 When lending to a company there must be a minimum of one director but no more than four and all directors must hold equal shares in the company. All directors must be shareholders and all directors must provide a personal guarantee.
- 12.2 Where we require a Guarantee, the Guarantor is required (pursuant to a Guarantee) to guarantee to us that you will repay the following with interest in accordance with these conditions below:
  - (a) the initial Loan;
  - (b) any Further Advance which we make to you following written notice being given to the Guarantor;
  - (c) interest and any Fees and Expenses which relates to any Loan which the Guarantor has guaranteed under the Guarantee.
- 12.3 The Guarantor is also required to guarantee that you will comply with each obligation imposed on you by the Mortgage. .
- 12.4 If we allow a Borrower or any other person extra time within which to make any payments or do any other thing which they are required to do under these conditions or if we make any other concessions to a Borrower or any other person or if any other event or circumstances arise which, but for this provision, would otherwise release the Guarantor from all or any of his obligations to us, this will not release the Guarantor from his obligations to us.

## PROPERTY ISSUES

### 13 Your obligations in respect of the Property

- 13.1 You must do the following things:
  - (a) You must ensure that the Property and all utilities on the Property are kept in good and substantial repair and condition;
  - (b) You must not make or allow anybody else to make any structural alterations to the Property or change its use or apply to any planning authority to make such changes, unless you have our prior written approval;

## TERMS AND CONDITIONS (*continued*)

- (c) You must observe, perform and comply with all laws, notices, orders, regulations, directions and requirements of any court tribunal, local authority or other authority whose decisions are legally binding on you relating to or affecting the Property;
- (d) Where the Property is leasehold, you must observe, perform and comply with all the tenant's obligations and take any steps which are reasonable to ensure that the landlord complies with its, his or her obligations under the lease under which the Property is held;
- (e) You must promptly give us such information about the Property as we may reasonably require;
- (f) You must allow us (and anyone authorised by us including a Receiver appointed by us) to access and inspect the condition of the Property at any reasonable time after we have given you reasonable advance notice. In the event that we discover that you have failed to maintain the Property as required by these Mortgage Conditions, we may send you a notice requiring you to repair the Property. If we do this, you must repair or, where the Property is leasehold and the relevant repair obligations fall to the landlord, procure the repair of the Property in accordance with the notice unless it is not reasonably possible for you to do this. We will serve any such notice in writing. If you fail to carry out the repairs as required by the notice within a reasonable time, you must allow us (and anyone authorised by us) to access the Property and carry out such repairs at reasonable times. The reasonable costs we incur in carrying out such repairs will count as Expenses;
- (g) You must keep the Property available for disposal with vacant possession. This means that you must not let out or license any part of the Property unless we have given our prior consent in writing. We are not obliged to agree to your letting or licensing some or all of the Property although we will not withhold our consent unreasonably. Please refer to our Mortgage Lending Criteria under 'Consent to Let' for more details of our requirements. If we do agree, you must ensure that the Property is let or licensed in accordance with the terms which we specify.
- (h) If we offer you a Buy To Let mortgage:
  - (i) (For all Borrowers), you must not occupy the Property yourself and you must not agree to allow a member of your family (including, for example, your spouse, civil partner, parents, grandparents, siblings, children and grandchildren) to occupy the Property.
  - (ii) Whether the property is located in England and Wales or Scotland, the Property must be let under an acceptable form of tenancy agreement as specified in our Mortgage Lending Criteria under the heading 'Tenancy'.
  - (iii) The Property must not be let to tenants that are not accepted as specified in our Mortgage Lending Criteria under 'Tenants'. Exclusions will apply.
  - (iv) The tenancy agreement must make provision for monthly or quarterly payments; annual premiums paid in advance are not acceptable.
  - (v) Vacant possession of the Property must be obtained on completion of the mortgage or alternatively if the Property is occupied on completion of the mortgage the occupiers must occupy under a Tenancy agreement whereby vacant possession can be obtained as of right at the end of the term created by the tenancy, or on giving the requisite notice under the Private Housing (Tenancies) (Scotland) Act 2016 for Property in Scotland subject to a private residential tenancy.
  - (vi) If the Property is leasehold you must obtain your landlord's consent to sublet or part with possession of the premises if the lease requires you to do so.
  - (vii) You must inform your insurers about the tenancy if your own insurance policy requires you to do so.
  - (viii) You must adhere to any regulations and obtain any necessary licenses in the letting of properties.
  - (ix) You must not change the terms of the tenancy without obtaining our written agreement.
- (i) You must give notice to us of any monetary compensation relating to the Property which is paid to you as soon as you receive it. For instance, you might receive compensation from a local governmental or other authority for damage to the Property. Unless it is not reasonably practicable for the damage to be made good, you must use such compensation for the prompt repair or rebuilding of the Property to a proper standard (unless we agree otherwise in writing). We will let you keep any surplus remaining after the Property has been repaired and/or rebuilt to a proper standard and our reasonable Expenses have been paid. We will tell you when we are satisfied that this has been done;

## TERMS AND CONDITIONS (*continued*)

- (j) You must promptly pay any rents, rates, taxes, charges or other amounts which are at any time charged or imposed on the Property by any landlord, management company, housing association, court tribunal, ombudsman or other authority. If you fail to do so and we, or the Receiver, pay them, the full amount will be added to the Amount You Owe and we may treat this amount either as immediately payable to us or the Receiver as appropriate or as an Expense;
  - (k) You must comply with any legally binding promise which you have given in relation to the Property;
  - (l) You must comply with the rules of any management company or residents' association affecting the Property;
  - (m) You must fulfil any obligation imposed on you (other than under the Mortgage) in respect of the Property or its services or amenities where your failure to comply may adversely affect the value of our security interest in the Property;
  - (n) You must tell us immediately about any defect, damage, injury or depreciation relating to the Property which may give any person other than you a right or claim for damages, compensation or indemnity;
  - (o) If the Property is leasehold then, if you extend the term of the lease under which the Property is held or acquire the whole of or any part of the freehold or a commonhold unit or heritable title, you must immediately:
    - (i) deliver to us that extended lease, or the title deeds to the freehold or the commonhold unit or heritable title or the documents evidencing your interest in the freehold or commonhold unit or heritable title; and
    - (ii) if we ask you to do so, execute at your expense a first legal charge or first standard security over such extended lease or your interest in the freehold or commonhold unit or heritable title in our favour to secure the Amount You Owe; and
    - (iii) observe and perform all the obligations imposed on you as a condition of the grant of the extended lease or your interest in the freehold or commonhold unit or heritable title;
  - (p) If the Property is in England and Wales and is leasehold you must:
    - (i) not serve any notices under the Leasehold Reform Acts in respect of the Property without first informing us; and
    - (ii) keep us informed of any steps you take in connection with the Leasehold Reform Acts; and
    - (iii) pay any compensation you receive under the Leasehold Reform Acts to us immediately on receipt, following which we will use the compensation to reduce the Amount You Owe in accordance with Conditions 7.4, 7.5 and 7.6 and then pay any outstanding Charges; and
  - (q) You must notify us within five Banking Weekdays of any notice you receive from any person (including the landlord if the Property is leasehold) in relation to the Property. You must take all actions which we reasonably require in connection with such notices (including any legal proceedings) to protect our security interest in the Property and the value of the Property. If you fail to take such action or fail to take action within a reasonable period we will be entitled to take any action (including legal proceedings) which it is reasonable for us to take to protect our security interest in the Property. If we take that action, the reasonable costs we incur in doing so will count as Expenses.
  - (r) Where the Property is being purchased under a shared ownership scheme approval must be obtained from the Housing Association landlord should you wish to amend, alter or modify any part of your mortgage or the Property.
  - (s) Where the Property is a help to buy property and the help to buy shared equity loan and second charge are still in place you must obtain approval from Homes England or the Scottish Ministers (as applicable) should you wish to amend, alter or modify any part of your mortgage or the Property. Please speak to your Home England or Scottish Ministers (as applicable) representative for details.
- 13.2 You may create a mortgage, charge or standard security over the Property to secure a loan which you will use to pay the Amount You Owe in full. You must not without our written consent:
- (a) otherwise create or attempt to create or allow to be created any mortgage, charge or standard security or other right of any kind over the Property, or allow such a mortgage, charge or standard security or other right to exist;
  - (b) otherwise deal with, sell or give away the Property;
  - (c) accept the surrender of any lease or tenancy of the Property; and/or
  - (d) (where you are a limited company) grant a floating charge over any of your assets (whether contained in a debenture document or otherwise).

We will consider requests to the creation of a mortgage, charge or standard security over the Property over which our Mortgage will have priority.

## TERMS AND CONDITIONS (*continued*)

### 14 Buildings and other insurance

- 14.1 Unless the Property is leasehold and the terms of the lease require your landlord to insure the Property, you must insure the Property and keep it insured with a reputable United Kingdom insurance company against loss or damage by any of the risks which comprehensive buildings insurance in the UK normally covers (including, without limitation, fire, landslip, subsidence and heave). The initial sum insured must not be less than the full re-instatement value of the Property (as recommended in a professional mortgage valuation) together with architects', surveyors' and other professional fees, demolition costs, the cost of removing debris and the extra cost of meeting any building and government regulations under local authority bylaw. You must make sure that the sum insured is on an index-linked basis. This means that the sum insured must track the full re-instatement value of the Property taking into account inflation. It will be your responsibility to pay any excess in the event that you make any claim under the insurance.
- 14.2 If the Property is in England and Wales, where you are entering into the Mortgage to finance the purchase of the Property, the insurance must start on the day you exchange contracts for the purchase with the seller of the Property. If the Property is in Scotland, where you are entering into the Mortgage to finance the purchase of the Property, the insurance must start on the day you conclude missives to purchase the Property from the seller. We will ask your Conveyancer to confirm to us on your behalf that the insurance policy is in place before we make the First Advance to you and that the conditions we specify for insurance are met.
- 14.3 Where Condition 14.2 does not apply (for example, where you are re-mortgaging rather than purchasing the Property), the insurance cover required under Condition 14.1 must start no later than the day we make the initial Loan to you.
- 14.4 The following terms apply if the Property is leasehold and the terms of the lease require your landlord to insure the Property:
- (a) you must make all reasonable efforts to make sure that the landlord insures the Property on terms consistent with those set out in Condition 14.1 above;
  - (b) if the landlord does not insure the Property on such terms, you must inform us and put in place such insurance cover as we may reasonably require; and
  - (c) you must make sure that your interest in the Property and our interest in the Property are noted on the insurance policy (either specifically or in the general interests clause).
- 14.5 If:
- (a) you do not make the insurance arrangements required by Conditions 14.1 to 14.4 (as applicable); or
  - (b) you do not make sure that the required insurance arrangements are maintained and the premiums are paid; or
  - (c) you do not provide us with written evidence on request that the required insurance arrangements are being maintained and the premiums are being paid; or
  - (d) any of the events set out in Condition 18.3 has occurred, then we may (but are not obliged to) insure the Property for such amount and on such terms as we may reasonably decide. Any such insurance premiums paid by us will be treated as Expenses. Any insurance we arrange under this provision will be solely for our benefit and will not cover your interest in the Property.
- 14.6 In relation to any insurance affecting the Property, you must not do anything, allow anything to be done or omit to do anything which might prejudicially affect the insurance policy or breach any of its terms.
- 14.7 You must tell us within 14 days of any circumstances preventing or likely to prevent you (or your landlord where the Property is being insured in accordance with Condition 14.4(a)) from being entitled to make a claim under any insurance policy relating to the Property.
- 14.8 When any claim arises and is made under any insurance policy which you have put in place in relation to the Property, we will have the power and authority to settle with the insurers any question relating to such insurance and you must do anything reasonably necessary to enable us to do this. When we exercise this power we will act reasonably. The insurers will be entitled to pay the money receivable under any such policy to us instead of to you and if they pay that money to us that will satisfy their obligation to you. As long as we act reasonably, we may use any such monies to rebuild or repair the Property and to pay our reasonable Expenses that arise in relation to this. We will use any surplus to reduce the Amount You Owe in accordance with Conditions 7.4, 7.5 and 7.6 and then pay any outstanding Charges.
- 14.9 If we require you to take out any other type of insurance in the Mortgage Offer Letter you must maintain the insurance and comply with all of the terms of the insurance policy. If you fail to maintain the insurance we may pay the premium on your behalf and the amount of any premiums will be treated as Expenses. We have the right to settle any insurance claim made in relation to the insurance policy on reasonable terms.

## TERMS AND CONDITIONS (*continued*)

- 14.10 You must tell us as soon as anything happens which may give rise to a claim under your buildings insurance policy and you must apply the insurance monies in or towards making good the loss or damage in respect of which such monies are received.
- 14.11 You must hold any money which you receive under any insurance policy relating to the Property on trust for us. Unless it is not reasonably practicable for the Property to be rebuilt or repaired, you must promptly use the money you receive to rebuild or repair the Property to a proper standard (unless we agree otherwise in writing). Any money not used to rebuild or repair the Property must be paid to us. We will use the money to pay our reasonable Expenses and then to reduce the Amount You Owe in accordance with Conditions 7.4, 7.5 and 7.6 and then pay any outstanding Charges.
- 14.12 Where the property is being let with our prior consent, you must ensure any buildings insurance policy permits letting without exemption.

### **15 Shares in a management company or residents' association**

- 15.1 If as a result of your interest in the Property, you hold shares in a management company or residents' association or any similar body you must deposit with us any share certificate you may have. This will not create a charge in our favour.
- 15.2 If we (or a Receiver) sell the Property as lender, we (or the Receiver) will have power on completion of the sale to transfer any such share to the purchaser. If we receive money as result of that share transfer, we will use that money as if it were a part of the proceeds of sale of the Property.

### **16 Security and assignment of your rights**

- 16.1 If for any reason the Mortgage Deed is not effective to create a first legal charge or first standard security over the Property, then you agree that you will grant us such a charge or standard security over the Property.
- 16.2 By entering into the Mortgage Deed you assign to us during the life of the Mortgage so far as you can:
- (a) the benefit of any covenant, agreement, option, undertaking, charge, security, right, guarantee, right or remedy relating to the Property or the services to it (for example a compulsory purchase order of part of the land);
  - (b) compensation and the right to compensation of any kind available to or paid to you in respect of the Property;
  - (c) any rights exercisable by you in relation to the Property, whether or not you had these rights at the date of the Mortgage and any money payable to you or received by you in respect of any damage to or depreciation of the Property or its services or amenities; and
  - (d) the benefit of any other obligation, security, or right affecting the Property.
- 16.3 You assign all the above rights to us with the power for us in turn to assign to any purchaser, or to anyone to whom the Mortgage is transferred, anything which is assigned to us under this Condition 16.
- 16.4 Once you have paid us the Amount You Owe in full, if you ask us to reassign to you the items referred to in Condition 16.2 then we will do so.
- 16.5 The security you provide us under the Mortgage is a continuing security. This means that the Mortgage will remain in force even if you pay or settle part of the Amount You Owe or anything else secured by the Mortgage Deed, or if you die, become bankrupt, sequestered or mentally incapable or, in relation to a corporate Borrower, if you suffer an Insolvency Event.
- 16.6 The security you provide us under the Mortgage is in addition to, and shall not be impaired by, any other security or guarantee we have at any time for repayment of the Amount You Owe or anything else secured by the Mortgage Deed.
- 16.7 You agree to execute any document or do any act or thing which we may reasonably require you to do in order to perfect any security created or intended to be created under the Mortgage or any collateral security, or which we may require to facilitate the exercise or the proposed exercise of any of our powers or the protection, management or realisation of the Property. You agree to do this promptly following our request and to do so whether or not our power of sale under Condition 18 has become exercisable. If you fail to do so promptly following our request we or any Receiver that we may appoint have the right to execute such documents or do such things using our powers set out in Condition 17.

## TERMS AND CONDITIONS (*continued*)

### 17 Appointment as your attorney

- 17.1 The purpose of this Condition 17 is to enable us to protect our security, i.e. our interest in the Property. We will only exercise our powers as your attorney under this Condition 17 if you fail to comply with your obligations under the Mortgage and we reasonably consider it appropriate for us to protect our interest in the Property through exercising these powers.
- 17.2 As a continuing security, you appoint us and (as a separate appointment) any Receiver irrevocably to be your attorney so that we or the Receiver or any delegate which we or the Receiver appoint under Condition 17.5 can in your name and on your behalf take any action which you are obliged to take under these Mortgage Conditions but which you have failed to take within a reasonable period after we have required you to do so. This power shall include but not be limited to taking the following actions:
- (a) to execute any deed or sign any document you have agreed to sign under these Mortgage Conditions;
  - (b) to exercise any rights in respect of the Property which you may be entitled to exercise and to deal with any money or other benefit arising in respect of the Property or its services, maintenance or amenities;
  - (c) to execute a first charge or first standard security in our favour over any extended lease of the Property or any interest in the freehold or in a commonhold unit or heritable title which may be granted to you, if you fail to execute such a charge or standard security within 14 days of us giving you notice requiring you to do so; and
  - (d) to do anything else which we reasonably consider to be appropriate in connection with any of our powers in connection with the perfection, protection and rightful enforcement of our security.
- 17.3 Any costs and expenses which we or a Receiver reasonably and properly incur when exercising our powers under Condition 17.2 will be treated as Expenses.
- 17.4 Any payment we receive under this Condition 17 shall be applied by us or a Receiver in reduction of the Amount You Owe in the order set out in Conditions 7.4, 7.5 and 7.6 and then pay any outstanding Charges.
- 17.5 We and/or the Receiver will be entitled to delegate the power of attorney given in Condition 17.2 to another person (or persons) where this is reasonably necessary for us or the Receiver to exercise any rights or powers under these Mortgage Conditions or under the law.
- 17.6 The appointment in Condition 17.2 is irrevocable and cannot be cancelled without our agreement until you have repaid the Amount You Owe.

### 18 Our powers

- 18.1 We or any Receiver appointed by us may enter the Property at any reasonable time and on reasonable notice:
- (a) to inspect it; and
  - (b) if you have failed to comply with the Mortgage Conditions, to do any work which we reasonably consider necessary to protect or preserve our security.
- If we enter the Property under this Condition 18.1, it does not mean we have accepted the legal responsibilities of a mortgagee in possession.
- 18.2 For the purposes of our power of sale, the Amount You Owe is to be treated as due one month after the date of the Mortgage Deed. We have the right (except as otherwise provided by statute in relation to a dwelling house) at any time (a) one month after the date of the Mortgage Deed but (b) before the Mortgage is redeemed, to enter into possession of your Property and/or to exercise our powers of sale or of appointing a Receiver. This does not mean that we can immediately require you to pay the Amount You Owe and enter into possession of the Property (we can only do this in the circumstances set out in conditions 7.7 and 18.3)).
- 18.3 If any of the following events occur then the Amount You Owe shall immediately become due and payable and we may enter into possession or exercise the powers of sale or of appointing a Receiver or call up the Mortgage Deed (but we do not have to) if any of the following events has taken place:
- (a) you have failed to pay to us an amount equivalent to three Monthly Payments due under the Mortgage but only where we have made reasonable efforts to reach an agreement with you in relation to the repayment of the shortfall, and either 1) we have not been able to reach an agreement with you; or 2) you have failed to repay the shortfall either in part or in full in accordance with the terms of any agreement; or



## TERMS AND CONDITIONS (*continued*)

- (b) you fail to make any other payment to us which you owe under these Mortgage Conditions or the Mortgage Offer Letter, and you fail to remedy the breach within two months of our giving you notice that we require the repayment or otherwise we will exercise our rights under this condition 18.3 (or, where it is reasonable for us to give you a longer period to remedy the breach, the longer period that we specify in our notice); or
  - (c) you seriously or persistently breach any other term in these Mortgage Conditions or in the Mortgage Offer Letter and you fail to remedy the breach within 14 days of our giving you notice of the breach (or, where it is reasonable for us to give you a longer period to remedy the breach, the longer period that we specify in our notice). This includes failing to repay the Amount You Owe at the end of the Mortgage Term; or
  - (d) you are in breach of a legal obligation the effect of which is in our reasonable opinion to threaten the effectiveness or materially reduce the value of our security interest in the Property and you fail to remedy the breach within 14 days of our giving you notice of the breach (or any longer period we allow you to remedy the breach) - this includes, but is not limited to, the non-payment of any ground rent, service charges or any other charges which you have failed to pay in accordance with the terms of any lease and any costs associated with the lease; or
  - (e) we become aware that any of you have provided us with false or misleading information in relation to your application for the Mortgage or a Further Advance, that (i) we relied on this information in reaching our decision to lend to you and (ii) we are satisfied that had we known of the true position or that you were providing us with false or misleading information, we would not have entered into the Mortgage with you or made the Further Advance to you; or
  - (f) you have been served with a notice under Condition 7.7 and you have failed to make the required payment for two months after service of the notice; or
  - (g) any of you or any guarantor of your obligations propose to enter into a voluntary arrangement with your creditors or have a bankruptcy order made against you or petition the court for bankruptcy or have a receiver or administrator appointed over any part of your assets or apply for or similar treatment or are subject to similar proceedings; or
  - (h) for corporate Borrowers, you or any guarantor of your obligations suffers an Insolvency Event; or
  - (i) there is a judgment against any of you for a debt which you do not pay within the timescales specified in the judgment and we reasonably believe that the existence of the debt will impair your ability to pay us any amounts which you are required to pay under these Mortgage Conditions; or
  - (j) a third party seizes any of your possessions because you have not paid a debt owed to them and we reasonably believe that this will impair your ability to pay us any amounts which you are required to pay under these Mortgage Conditions; or
  - (k) the Property is or will be compulsorily acquired or is or will be demolished by order of any Government or Local Government authority; or
  - (l) where we offer you a Buy To Let Mortgage, the Property remains unoccupied for a period of 30 days or more without our express consent (where we offer you a mortgage that is not under our buy to let scheme you must advise us and your buildings insurance company if the Property is unoccupied for more than 30 days); or
  - (m) another lender gives notice that they are going to exercise their rights to take possession, appoint a Receiver in respect of the Property or exercise a power of sale over the Property;
  - (n) death of the last surviving borrower or any Guarantor of your obligations; or
  - (o) any Guarantee in respect of your obligations terminates is invalidated or becomes unenforceable for any reason; or
  - (p) Prior approval was not sought from us for a change to the Guarantor(s); or
  - (q) Prior approval was not sought by the Guarantor(s) when changing address.
  - (r) any Guarantor who is an individual dies or ceases to have mental capacity; or
  - (s) You (being a company) are subject to a petition for your winding up or for the appointment of an administrator, or you enter into liquidation or administration or into any arrangement with your creditors (or any equivalent event occurs in another jurisdiction).
- 18.4 Where the Property is in England and Wales, we may exercise our powers of sale and of appointing a Receiver free from the restrictions imposed by section 103 of the Law of Property Act 1925. This means we may exercise our rights under this Condition 18 if any of the events referred to in Condition 18.3 takes place, whether or not in addition to that event:

## TERMS AND CONDITIONS (*continued*)

- (a) we have sent notice to you or any one of you requiring payment of the Amount You Owe;
  - (b) you have breached the terms of the Mortgage or another legal requirement; or
  - (c) you are behind in your Monthly Payments.
- 18.5 If any of the events referred to in Condition 18.3 takes place, then:
- (a) after obtaining any necessary court order, we may enter into possession of the Property and/or exercise our powers of sale;
  - (b) we may immediately exercise our powers of sale and of appointing a Receiver; and
  - (c) the Amount You Owe will become immediately due and payable by you to us.
- 18.6 If we sell the Property, then the sale proceeds shall be used to pay off the Amount You Owe in the following order:
- (a) where you are in arrears, any payment shortfall which has arisen;
  - (b) the Expenses which we incur in connection with (i) the sale of the Property and (ii) the repayment of the Amount you Owe;
  - (c) any interest due from the start of the current Interest Period until the date on which we receive the proceeds of sale;
  - (d) the remainder of the Outstanding Capital; and
  - (e) any outstanding Charges.
- 18.7 You have 14 days after we or a Receiver enter into possession of your Property to remove any belongings or goods you have left in or upon the Property. If you do not remove your belongings within those 14 days, we or the Receiver shall be entitled to sell your belongings or any of them as your agent. We or the Receiver may either sell your belongings separately or sell them with the Property (and if sold with the Property, may apportion the total purchase price between the Property and the belongings).
- 18.8 We may use any money which results from the sale of your belongings to pay the Expenses we incur in selling them. Our rights under this Condition 18 do not give us any security over your belongings.
- 18.9 Unless otherwise stated in the Mortgage Offer Letter, if the Property is in England and Wales the powers of leasing and accepting surrenders of leases conferred on you by sections 99 and 100 of the Law of Property Act 1925 (which set out some specific powers in relation to dealing with the Property) shall not apply to the Mortgage. Please ask your legal adviser if you require further information.
- 18.10 If we exercise our right of possession we may:
- (a) rebuild, repair or improve the Property (including any buildings, fixtures, fittings or other items that are in or form part of the Property);
  - (b) carry out building work at the Property or improve the Property;
  - (c) apply for any planning permission, buildings regulations approval or other permission or licence required in relation to (a) or (b);
  - (d) insure the Property (or any associated buildings, fixtures, fittings or other items that are in or form part of the Property) against whatever risks and on whatever terms we consider appropriate;
  - (e) let or lease the Property, vary the terms of, terminate or accept surrenders of leases, lettings or tenancies of the Property, grant options over, or enter into any agreement in relation to, all or any part of the Property. This may be done for any time and at any rent and with or without taking a capital sum (also known as a premium) and generally upon such other terms and conditions as we shall determine;
  - (f) sell the Property;
  - (g) make any arrangements or compromise which we consider suitable;
  - (h) bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to the Property as we consider appropriate;
  - (i) transfer any share to a purchaser of the Property or exercise any votes attached to any share;
  - (j) in respect of any Property held under a shared ownership lease, exercise any rights to staircase in accordance with the terms of the shared ownership lease; and
  - (k) appoint and pay any managers, consultants, contractors, professionals or agents for any of the above purposes on any terms that we decide.

## TERMS AND CONDITIONS (*continued*)

Any capital sum which we receive upon the grant of a lease or the entry into agreement for a lease shall be applied by us first in payment of all Expenses incurred in relation to such a lease or agreement for lease and second, to reduce the Amount You Owe in accordance with Condition 7.6 and then to pay any outstanding Charges. Any balance remaining shall be paid to the person who would be entitled to the balance, if there was any money remaining after exercise of our power of sale.18.11

We will only exercise our powers in Condition 18.10 if both:

- (a) it is reasonable for us to exercise them either:
  - (i) to protect or preserve our security; or
  - (ii) to realise our security on favourable terms; and
- (b) any of the events referred to in Condition 18.3 takes place.

18.12 If you do not perform any obligation imposed on you by these Mortgage Conditions or you do not perform any other obligation affecting the Property, we shall (in addition to any other remedy available to us), be at liberty to meet your obligation in whole or in part in order to protect, preserve or rightfully enforce our security and to pay all costs and expenses that result from your default. All sums so paid by us may be treated either: as immediately due by you and payable to us; or as Expenses. This condition will apply, for example, where you fail to pay sums lawfully payable under any lease.

18.13 If we are not able to discover your whereabouts after we sell the Property and there are surplus proceeds of sale, those proceeds will be paid into any deposit account which you (or, where there are more than one of you, all of you) have with us. Where you do not (or do not all) currently have a deposit account with us we will open one for this purpose. Where you have more than one deposit account with us, we may choose which account to pay the surplus proceeds into.

18.14 We shall be entitled to examine and take copies of all files, papers and other documents relating to or connected with your purchase of the Property which are in your possession or which are in the possession of your Conveyancer or other legal or professional adviser where it is reasonable for us to do so. You irrevocably authorise and require any such adviser to give us such access to those files, papers and other documents as we may reasonably require for the purpose of such examination and copying until you have repaid the Amount You Owe in full.

18.15 If we appoint a Receiver:

- (a) after paying any claims that may have priority over our claims against you, the Receiver will (so far as the law allows) use all money the Receiver receives to:
  - (i) pay to other people all costs, charges and expenses connected with the Receiver's carrying out any of the Receiver's powers and all costs properly payable by the Receiver;
  - (ii) pay the Receiver's fees, where we have agreed those fees with the Receiver;
  - (iii) pay the remainder of the Amount You Owe to us, which we use in the order set out in Condition 18.6 and then to pay any outstanding Charges; and
  - (iv) pay any remaining proceeds to the person entitled to them;
- (b) the Receiver may employ and pay agents to carry out any work on the Receiver's behalf;
- (c) the Receiver may exercise any of the rights and remedies which we may exercise including a power to sell the Property and including (but not restricted to) the powers and remedies listed in Condition 18.10; and
- (d) if we appoint more than one Receiver they will have the power to acting jointly as well as severally. The Receiver will act as your agent and you will be responsible for their actions.

### **Transferring your loan to another property**

18.16 Condition 18.17 to 18.20 applies if:

- (a) you plan to sell the Property and purchase another property in England and Wales or Scotland (the "New Property");
- (b) at the time you repay the Amount You Owe, you will complete the purchase of the New Property within 90 days; and
- (c) you apply to us for a loan to finance your purchase, to be secured by a new mortgage on the New Property (the "New Mortgage").

18.17 If all of the circumstances set out in Condition 18.16 apply then:

- (a) you may apply to us to transfer to the New Mortgage part or all of any Loan which is included in the Amount You Owe at the time when you complete the purchase of the New Property (the "Transfer Balance"); and

## TERMS AND CONDITIONS (*continued*)

- (b) when we decide whether to grant the New Mortgage, we will apply our normal lending criteria at the time.
- 18.18 If we grant the New Mortgage:
- (a) the terms which apply to the Transfer Balance will be set out in our offer for the New Mortgage; and
  - (b) we will ensure that our offer of the New Mortgage provides for interest to be charged on the Transfer Balance at the same rate(s) and for the same period(s) as would have applied if the Transfer Balance had remained owing under the Mortgage.
- 18.19 If you transfer your mortgage within the period when Early Repayment Charges are applied (as set out in your Mortgage Offer Letter), you may not have to pay the Early Repayment Charges if the purchase of the New Property completes within 90 days of the discharge of the Amount You Owe and the New Mortgage is for an amount equal to or more than the Amount You Owe at the point the Mortgage is discharged.
- 18.20 If you transfer your mortgage within the period when Early Repayment Charges are applied and the New Mortgage is for less than the Amount You Owe, Early Repayment Charges will be applied to the difference between the Amount You Owe and the New Mortgage (at the rate set out in your Mortgage Offer Letter).
- 18.21 Where the Property was purchased under a shared ownership scheme approval must be obtained from the Housing Association landlord should you wish to amend, alter or modify any part of your mortgage.
- 18.22 Where the Property was purchased as a help to buy property and the help to buy shared equity loan and second charge are still in place you must obtain approval from Homes England or the Scottish Ministers (as applicable) should you wish to amend, alter or modify any part of your mortgage. Please speak to your Homes England or the Scottish Ministers (as applicable) representative for details.

## CHARGES, FEES AND EXPENSES

### 19 Charges, fees and expenses

- 19.1 Where we incur a Charge in relation to your Mortgage, we will notify you of this.
- 19.2 Your Mortgage Offer Letter will say whether any Charges are payable in connection with the making of a Loan, whether an Early Repayment Charge is payable, and in each case your Mortgage Offer Letter will say how much the Charge will be and when you must pay it. Your Mortgage Offer Letter will also say how much the Mortgage Discharge Fee is at the time of application, but this is subject to change. Please refer to our Mortgage Tariff of Charges for the fee payable.
- 19.3 Our Tariff of Charges sets out the standardised Charges we make under the Mortgage, and these Charges will be payable in the circumstances set out in the tariff. We will send you our current Tariff of Charges when we send you your Mortgage Offer Letter and with each annual statement. Should changes be made to our tariff in the interim, we will only provide you with the current Tariff of Charges if it is a regulatory requirement to do so.
- 19.4 We can increase our Charges or apply additional Charges where it is reasonable to do so to reflect an increase in our costs (this could include, for example, an increase in the cost of providing the service or increased costs caused by a change in our Regulatory Requirements) or where we introduce a new service the costs to us of providing that service.
- 19.5 If we are going to carry out an activity listed in our Tariff of Charges for which the Charge has increased since we last sent you a copy of our Tariff of Charges, we will tell you what the new Charge is before we carry out the activity.
- 19.6 We may decrease our Charges to you at any time and for any reason.
- 19.7 If we provide an optional new service or facility in connection with the Mortgage, we may introduce a new Fee for that service or facility.
- 19.8 The amount of our Expenses set out in our Tariff of Charges is based on our reasonable estimate of the average Expenses we incur in typical cases rather than the actual Expenses we incur in the particular case.
- 19.9 If we incur an Expense of a kind which is not set out in our Tariff of Charges, you must pay this amount to us. We will charge you an amount in relation to the Expense which is no more than our reasonable estimate of the amount of the actual Expense we incur. We will not charge you twice for a single Expense.
- 19.10 We will only amend our Tariff of Charges to increase the amount of an Expense listed on our Tariff of Charges or to add a new Expense (which if we had not added it, would have been covered by Condition 19.9), if the Expense reflects:
- (a) sum which we have to pay to another person to enable the activities for which the Expense is made to be carried out; and/or

## TERMS AND CONDITIONS (*continued*)

- (b) a reasonable proportion of staff and other administrative costs which we incur in connection with the activity.

In each case, the increased or new Expense may represent our reasonable estimate of the average costs and expenses we incur in connection with our mortgage lending rather than the precise amount of costs and expenses we incur in your case.

- 19.11 We will add a Charge to your Outstanding Capital if you ask us to or if your Mortgage Offer Letter says that we will. In all other cases you must pay us the amount of the Charge within 60 days of us notifying you that we have incurred the Charge. If you do not pay the full amount of the Charge to us within 60 days we may add the unpaid amount to your Outstanding Capital if it is reasonable to do so. We will tell you in writing if we do this and inform you of any changes to your Monthly Payment.
- 19.12 Where we add any Charge to the Outstanding Capital, this will be treated as principal money owing under the Mortgage. This means that interest will be charged on that Charge at the Interest Rate under Condition 9.
- 19.13 Copies of our Tariff of Charges are available on our website at: [metrobankonline.co.uk](http://metrobankonline.co.uk)
- 19.14 In addition to the Charges set out above, if you have been introduced to us by either a financial intermediary or a broker, they may charge you fees for their services and we may pay them a commission when the Loan completes. The amount of any fees or commission (or both) will be shown in the Mortgage Offer Letter.

## SECURITY FOR FURTHER ADVANCES

### 20 Security for further advances

- 20.1 The Mortgage is made to secure both the First Advance and any Further Advances but unless the Mortgage Offer Letter provides otherwise, we are not obliged to make any Further Advances to you. If we do make a Further Advance, that advance will be secured by the Mortgage if the Mortgage Offer Letter says so.
- 20.2 Where the Property was purchased under a shared ownership scheme approval must be obtained from the Housing Association landlord should you wish to amend, alter or modify any part of your mortgage or the Property.
- 20.3 Where the Property is a help to buy property and the help to buy shared equity loan and second charge are still in place you must obtain approval from Homes England or the Scottish Ministers (as applicable) should you wish to amend, alter or modify any part of your mortgage or the Property. Please speak to your Homes England or the Scottish Ministers (as applicable) representative for details.

## USING MONEY FROM YOUR BANK ACCOUNTS TO MAKE YOUR PAYMENT

### 21 Using money from your bank accounts to make your payment

- 21.1 This Condition 21 sets out our right to combine or set-off any of the Amount You Owe with any money we owe you (for example, on a credit balance in one of your accounts with us). It also explains the circumstances in which we might exercise our right and the limitations on it.
- 21.2 If any of the Amount You Owe is overdue for payment, we may use any money in any of your accounts with us to reduce or repay the Amount You Owe.
- 21.3 You should tell us if:
- (a) anyone else has a right to any money in your account(s) (for example, if you are holding the money for someone else's benefit); or
  - (b) the money in your account(s) has been received from a government department or local authority for a specific purpose; or
  - (c) you are under a legal obligation to someone else to retain and deal with the money in your account(s) in a particular way.

We will not exercise our right under this Condition 21 against the money in an account if we know that any of these circumstances apply or we are on notice of matters that reasonably suggest that they apply in relation to the account.

- 21.4 We will, as far as practicable, avoid exercising our right under Condition 21.2 to reduce the balance in one of your accounts below the amount which we reasonably estimate is needed (a) to meet your essential living expenses; or (b) to pay debts whose non-payment might result in your imprisonment, loss of essential goods and services (for example, utility bills, court fines, child support maintenance and council tax).

## TERMS AND CONDITIONS (*continued*)

- 21.5 We may exercise our rights under Condition 21.2 by using money in any account in your sole name or the joint names of all the Borrowers to pay anything you owe jointly; or by using money in accounts in your sole name or your joint accounts to pay anything you owe in your sole name. We will, as far as practicable, refrain from using money in an account in joint names to pay anything you owe in your sole name under this agreement.
- 21.6 If we decide to exercise our rights under Condition 21.2, we will generally tell you (and anyone else entitled to the money to be used to reduce or repay the Amount You Owe) at least 14 calendar days before doing so unless we reasonably think that the money will be moved to prevent us exercising our rights. If we have not told you before we exercise our rights, we will tell you (and anyone else entitled to the money) why and when we did so as soon as possible after we exercise our rights.
- 21.7 We will use money in your accounts for the purposes of this Condition 21 only to the extent that we are permitted to do so by the terms and conditions that apply to those accounts.
- 21.8 From time to time we receive legal orders or notices to hold customers' money for someone else or to pay it to someone else. If this happens in relation to any of you, the money available to the other person will be what is left after we add up amounts we owe the affected Borrower(s) on your affected accounts and deduct amounts the affected Borrower(s) owe us (whether they are Amounts You Owe under the Mortgage or otherwise), including any interest arising after the legal order or notice, unless we decide otherwise.

## CHANGING THE INTEREST RATE AND TERMS OF THE MORTGAGE

### 22 Changing the interest rate and terms of the mortgage

- 22.1 Our rights to change the Interest Rate are set out below. These rights will not apply at any time when your Mortgage Offer Letter says the Interest Rate is fixed. These rights will not permit us to change the agreed margin during any period when your Mortgage Offer Letter says the Interest Rate is a variable rate and that variable rate is linked to a reference rate, such as the Standard Variable Rate or another reference rate we control or the Bank of England Base Rate, by an agreed margin (which may be positive, negative or zero).
- 22.2 When the Interest Rate is linked to a reference rate then:
- (a) for so long as the reference rate applies the Interest Rate will change to track changes in that reference rate, but not otherwise; and
  - (b) any change in the reference rate will be applied to the Interest Rate at the beginning of the day on which the change takes effect.

If your Mortgage Offer Letter states that a minimum rate applies to your Loan or any Loan Part then if at any time the reference rate is reduced to an amount which would result in you paying interest at less than the minimum rate, that Interest Rate will cease to track changes in the reference rate until it is increased so that the Interest Rate you pay is equal to or more than the minimum rate specified in the Mortgage Offer Letter. If your Mortgage Offer Letter states that the Interest Rate is a variable rate with a discount but does not specify that variable rate, then the variable rate to which the discount applies is our Standard Variable Rate.

- 22.3 If your Mortgage Offer Letter says the Interest Rate is a variable rate and that variable rate is or is linked to a reference rate which we control (such as our Standard Variable Rate), we may change that reference rate, this includes making changes to variable rates which apply at the end of any fixed interest rate period. This will change the Interest Rate but not any agreed margin which links the reference rate to your Interest Rate. We may only do this:
- (a) if, at any time:
    - (i) there is a change in Bank of England Base Rate; or
    - (ii) there is a change in our costs in funding your Loan (this may include, for example, where the interest rates on the money we borrow to fund your Loan increase); or
    - (iii) there is a change beyond our reasonable control in the costs to us of providing your Loan (including changes in the technology we use); or
    - (iv) there is a change in Regulatory Requirements, industry guidance or codes of practice (or we reasonably expect that such a change is about to occur); or
    - (v) to reduce the rate for any reason.

## TERMS AND CONDITIONS (*continued*)

Where we make a change under paragraph (a)(i) above, the change will be a proportionate response to the change in Bank of England Base Rate. Where we make a change under paragraph (a)(ii) above, the change will be a proportionate response to the change in our costs. Where we make a change under paragraph (a)(iii), or (a)(iv) above, the change will be a fair proportion of the cost to our mortgage lending business of complying with the change in the costs to us of providing your Loan, or of complying with the change in Regulatory Requirements, industry guidance or codes of practice. We will not change the Interest Rate and our Charges to cover the same cost twice. We will not change any margin which links the Interest Rate to a variable rate.

- 22.4 Condition 5.1(b) and 5.1(c) explain how we will notify you of any change to the Interest Rate under Conditions 22.2 or 22.3.

### CHANGES TO OUR CHARGES

- 22.5 Condition 19 explains the circumstances in which we may change our charges.

### CHANGES TO OTHER TERMS

- 22.6 We may change any of the other terms of the mortgage for any of the following reasons:

- (a) where we reasonably consider that:
- (i) the change would make the terms clearer or more favourable to you; or
  - (ii) the change would not be to your disadvantage and is being made:
    - to reflect a change in relevant law or the way we are regulated; or
    - to enable us to respond proportionately to the making of a relevant recommendation, rule, requirement or decision of any court, ombudsman, regulator or similar body; or
    - to enable us to give effect to an undertaking which we have given, or to respond to any undertaking given by another person, to one of our regulators; or
    - to enable us to respond proportionately to a change in the identity of a regulator, central bank or similar body which affects our mortgage lending business; or
    - to reflect a change in our systems and procedures, including any change arising from any reorganisation of our business as a result of it being acquired by, or by our acquiring, another bank or organisation; or
- (b) to correct any obvious errors, omissions or inaccuracies, provided that the correction does not materially change 1) your Mortgage Conditions; 2) your rights and /or obligations; and/or 3) our rights and/or obligations; or
- (c) to make provision for:
- (i) the improvement of any service or facility we supply in connection with the Mortgage; or
  - (ii) the introduction of a new service or facility; or
  - (iii) the replacement of an existing service or facility with a new one; or
  - (iv) the withdrawal of a service or facility which has become obsolete or has ceased to be widely used or has not been used by you at any time in the previous year; or
- (d) to enable us to make reasonable changes to the way we look after your accounts as a result of changes in:
- (i) the banking or financial system; or
  - (ii) technology or security design; or
  - (iii) the systems we use to run our mortgage lending business; or
- (e) to enable us to comply with a Regulatory Requirement.

- 22.7 We will notify you of any changes under Condition 22.6 (other than a change under Condition 22.6(d)) not less than 30 days before the change takes effect. We may introduce changes immediately and advise you within 30 days of the change if we reasonably consider the change is not to your disadvantage.

- 22.8 In the case of a change under Condition 22.6(d), we will act proportionately and we will seek to minimise any effect the change may have on the timing and/or amount of your Monthly Payments. If we believe the change might have more than a minor effect on the timing and/or amount of your Monthly Payments, we will give you at least three months' prior notice of the change.

## TERMS AND CONDITIONS (*continued*)

### OTHER MATTERS

#### 23 Data privacy and your personal information

For more information on how we process your personal data, please visit our website Privacy Notice at [www.metrobankonline.co.uk/privacy](http://www.metrobankonline.co.uk/privacy)

#### 24 Transfer of mortgage

- 24.1 We may transfer any or all of our rights in the Mortgage to any person or persons whom we reasonably consider will treat you fairly and who in our view is capable of performing our obligations under our agreement with you to the same standard that we do. This includes our right to transfer any related rights or interests under the Mortgage Offer Letter, the Mortgage Deed or any other connected agreement with you. You will be bound to any person we transfer any rights to in the same way and to the same extent as you are bound to us. The terms of your Mortgage will remain as they were prior to any such transfer, and we will notify you in writing if any such transfer is to be made.
- 24.2 This power to transfer the Mortgage includes the power for us to offer your Mortgage (either alone or as part of a group of mortgages) as security for borrowing by us.
- 24.3 We may pass on any information or documents relating to your Mortgage to any person to whom we transfer or may transfer your Mortgage provided they agree to keep that information confidential in the same way as us.
- 24.4 You may not transfer any obligations or rights, benefits or interests under your Mortgage to someone else unless we say in writing that you can.

#### 25 Mistakes and omissions

- 25.1 If we make a mistake or there is an omission in any statement or information given to you in connection with the Mortgage or any account you have which is secured by the Mortgage, such a mistake or omission (whether made during the term of the Mortgage or after its discharge) will not prevent us from subsequently correcting the mistake or omission and recovering the full amount properly due from you.
- 25.2 Condition 25.1 does not prevent you from recovering compensation from us for any loss you may suffer as a result of a mistake or omission in any statement or information which we give you in connection with the Mortgage.

#### 26 Third party rights

If the Property is in England and Wales, no person other than a party to the Mortgage, or a person to whom we transfer any of our rights under Condition 24, may enforce any rights under these Mortgage Conditions or under any other agreement made in connection with your Mortgage by virtue of the Contracts (Rights of Third Parties) Act 1999, or the Contract (Third Party Rights) (Scotland) Act 2017 if the Property is in Scotland.

#### 27 Not enforcing our agreement with you and obtaining our consent

- 27.1 We may occasionally allow you extra time to perform your obligations under the Mortgage (for example, we may allow you more time to pay what you owe us, or otherwise decide not to strictly enforce our rights under our agreement with you). If we do this, it will just be a temporary measure and may still enforce our rights strictly again at a later date.
- 27.2 Where you require our consent or approval under these Mortgage Conditions to do something, we will not unreasonably withhold or delay that consent or approval. Examples of situations in which it is reasonable for us to refuse to give our consent or approval include where we reasonably think:
- (a) this may make it less likely that you will repay some or all of the Amount You Owe; or
  - (b) it may adversely affect our security or the value of the Property.

##### **If we fail to perform our agreement with you**

- 27.3 If we fail to perform our agreement with you:
- (a) if you are a personal customer, we will not be liable for any business losses or business costs you suffer; and
  - (b) for all customers, we will not be liable for any losses or costs you suffer as a result of such failure and we shall not be in breach of our agreement with you relating to the Mortgage, if we can prove that such failure was caused by:



## TERMS AND CONDITIONS (*continued*)

- (i) abnormal and unforeseeable circumstances beyond our control, the consequences of which would have been unavoidable despite all our efforts to the contrary; or
- (ii) our compliance with Regulatory Requirements.

27.4 Nothing in our agreement with you limits or excludes either our liability for own fraud or the fraud of any of our delegates or your liability for your own fraud. We do not exclude or limit our liability for death or personal injury which is our fault.

### LAW AND JURISDICTION

#### 28 Law applying to our agreement with you

If the Property is in England and Wales, English law will decide any legal questions about our Mortgage with you, including any questions relating to these Mortgage Conditions, and about our dealings with you. The courts of England and Wales will also be able to deal with any legal questions connected with our agreement with you. If the Property is in Scotland, Scots law will decide any legal questions about our Mortgage with you, including any questions relating to these Mortgage Conditions, and about our dealings with you. The courts of Scotland will also be able to deal with any legal questions connected with our agreement with you.

### C Additional information you should know

#### 29 What to do if you are not satisfied with our service

If you feel that we have not provided the standard of service you expect, or if we make a mistake, please let us know. If you have a complaint, we aim to deal with it as quickly as possible and to your satisfaction. The easiest way to raise your complaint with us is simply to come into one of our stores or to give us a call on **0345 08 08 500** (or **+44 20 3402 8312** from overseas). Or, if you would prefer to write to us, please address your letter to:

**Complaints Team**  
**Metro Bank PLC**  
**One Southampton Row**  
**London WC1B 5HA**

We will do our best to sort out your complaint immediately. If this is not possible, we will acknowledge your complaint within five banking days of receiving it. We aim to have more complex issues resolved within 15 calendar days. If we think it's going to take longer, we'll tell you and let you know if your complaint is eligible for referral to the Financial Ombudsman Service at that stage. We aim to have a full response for such cases within 35 calendar days.

If you are not satisfied with the way we deal with your complaint, you may, if you are an eligible complainant, refer your complaint to the Financial Ombudsman Service, which provides a free, independent complaint resolution service. They will then contact us on your behalf. Although there are time limits for referring your complaint to the Ombudsman, we will consent to the Ombudsman considering it even if you refer the complaint outside the time limits. The Financial Ombudsman Service will only consider your complaint once you have tried to sort it out with us, so please raise your concerns with us first. You can contact the Financial Ombudsman Service by writing to them at:

**The Financial Ombudsman Service**  
**Exchange Tower**  
**London E14 9SR**

Or, you can call them on **0800 023 4567**, or **0300 123 9123**. Next generation text relay: (18002) 020 7964 1000.

Details about their service can be found on their website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

If you do refer your complaint to the Financial Ombudsman Service, this will not affect your right to take legal action. You can ask us for a full copy of our complaints procedure leaflet at your local store.

#### 30 How we are regulated

We accept deposits, lend money and offer other banking and financial services to our customers. For these services:

- in relation to our acceptance of deposits, regulated mortgage lending and provision of investment and insurance services, we are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

## TERMS AND CONDITIONS (*continued*)

- in relation to our consumer credit business, we are authorised and regulated by the Financial Conduct Authority.
- Buy to Let mortgages are not regulated.

A full description of the banking, mortgage and investment activities for which we have permission can be found on the Financial Services Register at [www.fca.org.uk/register](http://www.fca.org.uk/register). Our Financial Services Register number is 488982. To find out more about us, please see the Financial Services Register or call the FCA on **0800 111 6768** (freephone) or **0300 500 8082** from the UK, or **(+44) 20 7066 1000** from overseas.

In respect of our consumer credit activities, our Financial Services Register number is 488982.

### 31 Important information about compensation arrangements.

We are covered by the Financial Services Compensation Scheme ('FSCS'). The FSCS can pay compensation to borrowers if a bank is unable to meet its financial obligations where you have a claim which relates to the way in which we arranged your Mortgage. Most borrowers - including most individuals and small businesses - are covered by the scheme.

In respect of mortgage arrangements, an eligible Borrower may be entitled to claim up to £85,000 depending on when the mortgage advice was provided.

For further information about the scheme (including the amounts covered and eligibility to claim) please ask at your local store, refer to the FSCS website [FSCS.org.uk](http://FSCS.org.uk) or call **0800 678 1100**.

**Our company details and VAT number** Our company details are:

- we are a public limited company registered in England and Wales under company number 6419578.
- our head office and our registered office is at:

**One Southampton Row  
London, WC1B 5HA**

To find out more about our company, please see the website of the Registrar of Companies at <https://www.gov.uk/government/organisations/companies-house> or call the Registrar on **0303 1234 500**.

- Our VAT number is 986 3042
- 'Metrobank' is a registered trademark of Metro Bank PLC and all rights in and to the name 'Metrobank' belong to and shall vest in Metro Bank PLC. You may not use or reproduce the Metrobank trademark or logo.

### 32 How to contact us

- **Mortgage Team:** please write to us at:

**Mortgage Admin Team,  
Harman House,  
1 George Street,  
Uxbridge, London, UB8 1QQ**

or call us on **0345 319 1200**.

We may monitor and record phone calls.

- **General:** please write to us at:

**Metro Bank PLC,  
One Southampton Row,  
London, WC1B 5HA**

or call us on **0345 08 08 500** or notify us through our online banking service. We may monitor and record phone calls.

- **To tell us of a change of name or address please call us, visit one of our stores or write to us at:**

**Metro Bank PLC,  
One Southampton Row,  
London, WC1B 5HA**

### 33 The language we will use to communicate with you

- We will correspond and communicate with you in English.

### 34 Other important information

- For more information visit us at: [metrobankonline.co.uk](http://metrobankonline.co.uk) or go to any one of our stores.
- We will keep a copy of our Mortgage Conditions which will be provided, or made available, to you on request.