



MORTGAGE LOAN TERMS 2022 AND MORTGAGE CONDITIONS 2022

Scotland

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Accord Mortgages: Mortgage Loan Terms 2022 and Mortgage Conditions 2022 Scotland

Your terms and conditions are made up of 3 parts.

Part 1 is the mortgage loan terms. These set out the terms applicable to the money we have loaned to you, including its repayment and how we will charge you interest and charges.

Part 2 is the mortgage conditions. These set out the terms applicable to the security we have taken over the property, including what we may do with the property if you do not repay. Part 2 also sets out the criteria on which the property must be let where the mortgage is a buy to let mortgage.

Part 3 sets out some general terms applicable to the relationship between you and us.

Below is a summary of some of the key terms in this booklet. It is important that you read and consider all of the terms and conditions which apply along with your mortgage offer and any other documents we have provided to you. In the event that there is any inconsistency between the standard conditions contained in Schedule 3 of the Conveyancing and Feudal Reform (Scotland) Act 1970 and any terms and conditions contained in this booklet which are applicable to our security, the applicable terms and conditions will apply and in the event there is any inconsistency between the terms and conditions contained in this booklet and the provisions of your mortgage offer, the terms contained in your mortgage offer will apply.

SUMMARY OF KEY TERMS

MONTHLY PAYMENTS	<p>The full set of circumstances in which we may do this is set out in term 5.1 of your mortgage loan terms.</p> <p>These terms also allow us to give you three months' notice to repay your mortgage in full. The reasons why we may do this are set out in term 5.3 of your mortgage loan terms.</p> <p>Please make sure that you understand these reasons because if we ask you to repay under one of these terms and you do not, then we could take further action against you. This could mean repossessing the property.</p>
OUR RIGHTS WHEN YOU HAVE LOANS WITH US ON MORE THAN ONE PROPERTY	CHARGES
<p>It is important that you pay us on time the amount of the monthly payments.</p> <p>The monthly payments are set out in your mortgage offer and can be varied in certain circumstances. Refer to term 1.4 of your mortgage loan terms for further details.</p> <p>If your mortgage loan is a repayment mortgage, your monthly payments will include capital (the money loaned to you) and interest.</p> <p>If your mortgage loan is an interest only mortgage, your monthly payments will be made up of interest and you will still have to repay all of the capital at the end of the mortgage term. It is very important that you make arrangements to repay the amount of capital at the end of the mortgage term and regularly check to ensure that you will be in a position to repay the capital by the end of the term.</p>	<p>In addition to your monthly payments, we may make charges for items relating to your mortgage, services you ask us to provide or costs incurred because you do not keep to these terms.</p> <p>Our current list of charges (our tariff) is provided to you with these terms. You can also get a copy from our website at www.accordmortgages.com, or by telephoning our Customer Contact Centre. We can change these charges and the reasons why we may do this are set out in term 7 of your mortgage loan terms.</p>
INTEREST	PROPERTY OBLIGATIONS
<p>When you have loans with us on more than one property, in certain circumstances, we can use any money we hold for you or which we otherwise receive from you or for you towards paying off money you owe us or to hold it in an account.</p> <p>If you intend to repay a loan on one property (other than your primary residence) we can also ask you to repay all or any part of any other outstanding loans you have with us on those other properties at the same time. Refer to term 2 of your mortgage loan terms for further details.</p>	<p>Your mortgage loan will be secured over the property set out in your mortgage offer.</p> <p>It is important that the property is kept in a good state of repair. Your mortgage conditions sets out some obligations on you in relation to maintaining the property, for example completing building work. You must also obtain our permission before you carry out certain actions in relation to the property, such as altering, extending, or letting the property. Where the mortgage is a buy to let mortgage the Mortgage Conditions set out the criteria on which the property must be let.</p> <p>You are responsible for insuring the property. The property must be insured against the usual risks to a property (fire and flood for example) and for an amount that is sufficient to fully re-instate the property in the event that it is destroyed. Please refer to the mortgage conditions and your mortgage offer for further details about insuring the property.</p>
IMMEDIATE REPAYMENT	ACTION WE MAY TAKE
<p>We will charge you interest on the amount that you have borrowed at the interest rate set out in your mortgage offer.</p> <p>Unless your mortgage offer states that your interest rate is fixed, we can vary the interest rate that applies to your mortgage loan for a number of reasons. These reasons are set out in term 4.3 of your mortgage loan terms. Please ensure that you have considered those reasons and understand that the amount you pay on your mortgage loan will increase if we increase the interest rate.</p> <p>We will give you notice either by advertisement or personally of any increase in the interest rate either before or as soon as possible after the increase takes effect. If you would prefer to repay your mortgage loan at that point you can, but you may have to pay an early repayment charge and other charges. The charges are as set out in your mortgage offer. We do not have to give you notice if we decrease the interest rate.</p>	<p>We can take certain action in relation to the property if you breach these terms, such as you fail to make your monthly payments.</p> <p>These actions are set out in your mortgage conditions. They include selling the property.</p>
MONTHLY PAYMENTS	FOR FURTHER COPIES OF THE TERMS OR OUR LOANS ADMINISTRATION FEE TARIFF CALL 0345 1200 872 OR LOOK ON OUR WEBSITE AT www.accordmortgages.com
<p>In certain circumstances we can ask you to repay immediately all the outstanding money under the mortgage, such as if you are in arrears by a certain amount of your monthly payments.</p>	

GLOSSARY

Certain words used in Parts 1 to 3 of this booklet have a special meaning. These are set out below:

<p>Interest Rate means the rate of interest shown in the Offer or the new rate of interest if we change it in accordance with these Terms.</p>	<p>our, us and we refer to Accord Mortgages Limited and includes our successors in title and any party our interest in the Loan and standard security is transferred to under Part 3, Term 2 of these Terms.</p>
<p>Joint Borrower Sole Proprietor Mortgage means a Loan to two borrowers who are responsible together and individually for repayment of the Loan, but only the borrower who is the owner of the Property provides security for the Loan.</p>	<p>Property means a property which is security for a Loan and where appropriate includes all or any part of a Property.</p>
<p>Loan means any individual amount of money we have lent to you or may lend to you, as set out in an Offer, on the security of a Property. This may include, for example, any additional Loan and any other money you owe us at any time such as interest and unpaid fees and charges. You may have more than one Loan.</p>	<p>Tariff means our Loans Administration Fee Tariff of mortgage charges which applies to your Loan. You will receive the current version with the Offer. The Tariff states the current amount of the charges which we may make under these Terms. The Tariff is subject to change from time to time in accordance with these Terms and you can always obtain the latest version on our website or by telephoning our Customer Contact Centre.</p>
<p>Mortgage Loan Terms means the terms in Parts 1 and 3 and the Glossary of this booklet.</p>	<p>Terms means all the terms and conditions set out in this booklet. Where the Terms are issued with an additional Loan, Terms means Parts 1 and 3 and the Glossary of this booklet.</p>
<p>Mortgage Conditions means the terms in Parts 2 and 3 and the Glossary of this booklet and which together are the Mortgage Conditions 2020 Scotland.</p>	<p>you and your refer to a person who is a borrower except as otherwise set out in Part 3, where the Loan is a Joint Borrower Sole Proprietor Mortgage</p>
<p>Offer means any written offer of a Loan sent to you which results in a Loan being made.</p>	

PART 1 - MORTGAGE LOAN TERMS

1 Payments

- 1.1 You must repay the Loan to us by the end of the term set out in your Offer.
- 1.2 You will make the monthly payments set out in your Offer until your Loan is repaid. These payments will start in the month after the Loan is advanced to you and will be due on the first day of the month if no other date has been arranged. The monthly payments should be made by direct debit. If you wish to change the date on which your monthly payments are made or change the method by which you make your monthly payments, you should contact us by telephoning our Customer Contact Centre.
- 1.3 If you have a repayment mortgage you will have to make monthly payments that are made up of interest and the capital loaned to you. Your payments will be calculated so that the whole Loan plus interest is repaid by the end of the term. If you have an interest only mortgage, your monthly payments will be made up of interest. You will need to make a lump sum payment at the end of the term to repay all of the capital.
- 1.4 In certain circumstances we may vary the monthly payment amount. We may do this, for example, if:
 - (a) there are changes in the Interest Rate;
 - (b) there are changes in the amount of any insurance premiums that we may pay on your behalf;
 - (c) payments are being made later or earlier than expected;
 - (d) we lend you more money;
 - (e) there is a change to your mortgage term;
 - (f) you switch your repayment type from interest only to repayment or repayment to interest only;
 - (g) we need to recover any unpaid costs or charges (including unpaid ground rent and service charges) added to your Loan;
 - (h) there is any compulsory change in law or regulation;
 - (i) we need to take into account the way in which we administer (or any person appointed by us administers) our Loan accounts. We may only do this to ensure repayment of the Loan within the term of your Offer;
 - (j) there is a change to the date on which you make your monthly payments.
- 1.5 Where these Terms are issued with an additional Loan which is made after your first Loan, the Mortgage Loan Terms will apply to the additional Loan.

2 Our rights when you have loans with us on more than one property

- 2.1 If you have Loans relating to more than one Property with us and you fail to make any payment which is due on any of those Loans on time, in addition to any rights set out in an Offer:
 - (a) we may use any money we have received from you, or any money which we hold for you, to make the payment. This right is sometimes referred to as the right of set off. We can use this right where you have accounts in your sole name and where you have a joint account.

We will tell you (and any joint account holder) at least 14 days before we use our right of set off for the first time and (where appropriate) if we use it again. We will also tell you after we have used our right of set off, including the date we used it and the amount we took from your account;
 - (b) we (and any receiver appointed by us in respect of a Property in England and Wales or in Northern Ireland) may pay any money received, recovered or realised in respect of that Property into an interest bearing suspense account and may retain it for such period as we consider expedient without having any obligation to apply the same or any part of it in or towards discharge of any outstanding Loan (or any part of any Loan) you have with us.
 - (c) we (and any receiver appointed by us in respect of a Property) will be entitled to take into consideration your portfolio of properties as a whole when exercising our discretion contained in this term or in coming to any decision in relation to all or any of the properties you have in mortgage to us or over which you have given us security.
 - (d) Mortgage Loan Term 2.1(b) and (c) will only apply to a Property which is your primary residence if the provisions of Mortgage Loan Term 5 apply in relation to that Property, or any Loan made in relation to that Property.
- 2.2 If you have Loans relating to more than one Property with us and you tell us that you intend to repay just one of those Loans, other than for a Property which is your primary residence, you agree that we can require you to pay all or any part of any other outstanding Loans (other than a Loan in relation to your primary residence) you have with us at the same time.

3 Interest

- 3.1 The way we calculate interest on your Loan balance is set out in your Offer.
- 3.2 If you do not make a payment on time, you will also be charged interest at the Interest Rate on the unpaid interest that forms part of your Loan balance.

4 Changing the Interest Rate

- 4.1 A mortgage loan can last for a long time, so the levels of our interest and charges may change during the term. Unless your Interest Rate is stated in your Offer as being fixed, we have the power to vary the Interest Rate for certain reasons.
- 4.2 We may reduce the Interest Rate on the Loan without notice to you at any time, although if that results in a different monthly payment we will tell you before it is due.
- 4.3 Subject to any specific terms in your Offer, we can increase the Interest Rate at any time where we reasonably believe that the increase is needed for any one or more of the following reasons listed below:
 - (a) to take account of any change in the costs reasonably incurred by us in managing our mortgage business and in particular providing and administering our mortgage accounts;
 - (b) to take account of changes or anticipated changes in the law or the interpretation of the law, due to regulatory requirements, decisions or recommendations of an ombudsman, regulator or similar person, any code of practice or industry guidance applicable to the conduct of our business;
 - (c) to take account of changes to the cost of money which we have to borrow from time to time in order to finance our lending;
 - (d) to take account of changes in the Bank of England base rate or the nearest equivalent rate set by the Bank of England or any body which may, in the future, take over responsibility for interest rate setting from the Bank of England;
 - (e) to take account of changes in interest rates charged by our competitors in the mortgage industry;
 - (f) to reflect a change in the credit risk in relation to our mortgage loans generally;
 - (g) to enable us to manage our business (and its growth) prudently.

Any increase in the Interest Rate we make for any of the reasons stated above will be reasonable and proportionate.

- 4.4 If we increase the Interest Rate, we will give you notice either by advertisement or personally of it either before or as soon as possible after the increase is to take effect. If you do not agree to the increase, you may repay the Loan but if you do this you may have to pay an early repayment charge and any other charges. The charges are as set out in your Offer.

5 When We Can Ask For Repayment of Everything You Owe Us

- 5.1 In certain circumstances you will have to pay to us everything you owe all at once. We will only ask you to do this if:
- a Loan is secured on a Property which is your primary residence and you have failed to make payment of an amount of two or more of your monthly payments on any Loan or any other sums are due to us and you have not paid them;
 - a Loan is secured on a Property which is not your primary residence and you have failed to make payment of an amount of one or more of your monthly payments on any Loan or any other sums are due to us and you have not paid them;
 - you materially or persistently do not comply with any of your obligations (other than payment of the monthly payments) to us;
 - you are made bankrupt or are sequestered;
 - you enter into an arrangement with or make a trust deed for the benefit of your creditors or you propose to do so; or
 - a Property is compulsorily acquired (for example, a local authority forces you to sell the Property to them).
- 5.2 If you do not repay the outstanding balance when requested and we get a judgment or decree against you for that amount or part of it, you will pay interest on the amount of that judgment or decree at the Interest Rate or a rate set by the Court.
- 5.3 We may also ask you to repay everything that you owe on three months' personal notice in certain circumstances, which are:
- any information given by you or on your behalf was, at the time it was provided, materially incorrect or misleading and would have affected our decision to provide a Loan to you;
 - we have a good reason to believe that you have been involved in fraudulent or serious criminal behaviour;
 - we have good reason to believe that the relationship between us has irretrievably broken down, such as physical, threatening or abusive behaviour to our staff;
 - we reasonably consider that something that you have done or not done has put our security interest in a Property at risk in a material way; or
 - where we reasonably consider it necessary due to regulatory or tax reasons (we would not rely on this reason without reference to and acceptance by our regulator).

6 Incurring Charges

- 6.1 We may charge you for services we provide and costs we incur. There are a number of specific charges which are set out in your Offer and Tariff and which form part of the price for your Loan. These will usually (but not always) be connected to specific costs for the operation of the Loan or standard security and where you ask us to provide a document or service in connection with the Loan or standard security, whether to you or anyone else.
- 6.2 Additionally, there are a number of more general costs which may arise through the life of the Loan. These are usually incurred because you ask us to do something or you do not keep to your obligations to us.
- 6.3 Examples of charges include (but are not limited to):
- Operation costs: Charges may be incurred when we:
 - supply or copy deeds or documents to you or anyone acting for you;
 - discharge our security or release the Property or any related rights from our security;
 - release any title deeds;
 - process any request for any change in the terms of the Loan or the standard security;
 - give you or anyone authorised by you any assistance or information in connection with the Property, the Loan or the standard security;
 - incur third party charges in dealing with the standard security or its discharge, such as Land Register fees.
 - Legal costs: Before the first Loan is made we will have to set up a standard security over the Property to secure this and any future Loans. You will be responsible for paying the legal costs of any conveyancer who undertakes our legal work in relation to the standard security. The Offer will state whether we are paying the whole or part of the legal costs involved in setting up the first Loan.
 - Costs to safeguard our security: You must pay us all reasonable costs which we incur to safeguard our security or because you fail to fulfil any obligations you have under the Loan or the standard security. Where we are able to make a genuine pre-estimate (based on our mortgage lending activities as a whole) of the expenses we are likely to incur, the amount of the charge will be set out from time to time in our Tariff and will be limited to this amount. Where we cannot make a genuine pre-estimate we will charge a reasonable amount and any external costs which we may incur. Examples of activities that we may incur costs for are (but are not limited to):
 - any legal proceedings and costs relating to the Loan or the standard security (this applies whether or not you are a party to the proceedings);
 - exercising any of the rights or powers given to us by law, these Mortgage Loan Terms or your mortgage conditions;
 - recovering any of the outstanding Loan;
 - insuring the Property or checking that any insurance of the Property which you have arranged is adequate for our purposes;
 - Arrears Charges: If your Loan account falls into arrears, then we will charge you arrears administration fees. The time from when we start charging these fees and the amount of these fees will be set out in our Tariff. Arrears administration fees are calculated to cover our administrative costs in dealing with those arrears. Where arrears administration fees are charged, they will be added to your Loan balance each month. Legal costs may also be charged and will be added to your Loan balance if we have to take further action.
- 6.4 We can add charges or costs to your Loan. If costs or charges are added to your Loan balance we will charge interest on the charge or cost from the time it is added to your Loan until it is repaid at the Interest Rate or, where there is more than one such rate, at the highest rate.

7 Changing Our Charges

- 7.1 We may change our charges at any time. Where the change is not to your advantage (for example, if we increase a charge or introduce a new one), we will only make the change for one or more of the following reasons:
- to take account of, in a proportionate manner, changes in the expenses which we reasonably incur (including our reasonable management, administrative and external costs) in respect of the particular product or service provided to you;
 - to take account of, in a proportionate manner, changes or anticipated changes in the law or the interpretation of the law, due to regulatory requirements, decisions or recommendations of an ombudsman, regulator or similar person or any code of practice or industry guidance applicable to the conduct of our business;
 - to enable us to manage our business (and its growth) prudently.

8 Telling you about changes to our charges

If we make a change to our charges in the Tariff:

- the new charge will be set out in the Tariff which will be provided to you personally at least once a year when changes are made;
- we will tell you when you ask us to do something which incurs a charge; and
- the Tariff will be available from our website, or from our Customer Contact Centre.

PART 2 – MORTGAGE CONDITIONS

1 Security

- 1.1 You have given us security over the Property to protect us in case you do not keep to your obligations under these Terms. This Part 2 describes the circumstances in which we may enforce the security. This Part 2 also describes your obligations in relation to dealing or not dealing with the Property in a certain way whilst it forms part of our security.
- 1.2 The security over the Property may be for more than the amount that you owe us under the Loan. It will also be security for any other money that you owe to us under any other agreement, or will owe to us in the future, other than any agreements that are stated to be regulated by the Consumer Credit Act 1974.
- 1.3 Unless we agree otherwise with you, the security will not be released until all money you owe to us (whether due or not) under any agreement has been paid. This will not affect your right to repay any agreement regulated by the Consumer Credit Act 1974.

2 Looking after the Property

- 2.1 As we have an interest in the Property, it is important that you maintain the value of it. There are certain actions that you must take, or must not take, unless we agree to them.
- 2.2 You must:
 - (a) keep the Property in a good condition at all times and carry out any necessary repairs;
 - (b) ensure that any unfinished building or works on the Property are completed without delay and are built to a proper standard;
 - (c) if you hold the Property under a lease, comply with all of the tenants' obligations in the lease;
 - (d) pay all existing and future rents, taxes, outgoing and common charges affecting the Property;
 - (e) comply with all laws, regulations, obligations and conditions affecting the Property and its use which are in force from time to time (including all real burdens, obligations under factoring arrangements and, where the Property is a tenement, obligations regarding contributing to the repair and maintenance of tenements);
 - (f) send us a copy of any notice or other document affecting the Property within 14 days of receiving it from:
 - (i) a landlord (if the Property is leasehold);
 - (ii) anyone claiming a legal right over the Property;
 - (iii) any government department, local or other authority;
 - (g) allow us (by our employees or agents) to enter the Property after giving you reasonable notice so that we may:
 - (i) carry out a valuation of the Property;
 - (ii) inspect the state of repair and condition of the Property;
 - (iii) carry out or complete any work which is needed to put right any failure by you to comply with these Mortgage Conditions;
 - (h) tell us before you apply to a local authority or other similar body for any loan or grant for the repair or improvement of the Property. This is because the loan or grant may be subject to conditions requiring the whole or part of the grant to be repaid, for example, if you do not live in the Property for a certain period. You cannot accept any such loan or grant unless we agree in writing unless we agree in writing.
- 2.3 You must not do any of the following without getting our written consent first:
 - (a) convey, transfer, assign, mortgage, grant security over, obtain an extended lease of or otherwise deal with or give away the Property;
 - (b) accept the surrender or renunciation of any lease or tenancy of the Property other than any tenancy we have agreed to under these Mortgage Conditions;
 - (c) alter or extend the Property.

3 Use and Occupation of the Property

- 3.1 You must use the Property for residential purposes as a single private dwelling and must not change the use of the Property, or allow the Property to be used for a trade or business, without getting our consent in writing first.
- 3.2 Unless your Offer states that the Property purpose is "buy to let" or "consumer buy to let", or otherwise states that the mortgage is a buy to let (or consumer buy to let) mortgage, you must occupy the Property yourself and must not, unless we have agreed in writing, grant or agree to grant or renew any lease or tenancy of the Property or give to any person any contractual or other licence or right to occupy or live in the Property.
- 3.3 We will not refuse our agreement to let the Property where you and the Property satisfy the conditions we reasonably require for letting of properties at that time.
- 3.4 As a condition of allowing you to let the Property we may impose reasonable conditions including an increase in the Interest Rate (an authorised lettings loading) while the letting or occupation continues. Where you let the Property or allow it to be occupied without our consent, or where you fail to observe our conditions of letting, we may impose a higher increase in the Interest Rate (an unauthorised lettings loading) while the unauthorised letting or occupation continues. Any increase in the Interest Rate under this mortgage condition is to reflect the increased risk to our security as a result of the letting or occupation. A full explanation of the loadings and of how they are applied is set out in our Lettings Information Factsheet which is available at any time upon request from our Customer Contact Centre. The current Interest Rate loadings are also in our Tariff which is available on our website.

4 Insuring the Property

- 4.1 You must insure the Property. The Property must be covered by buildings insurance for as long as it is security for money that you owe us.
- 4.2 As it is your obligation to insure the Property:
 - (a) you must maintain a comprehensive policy against all usual house insurance risks. When we refer to "usual house insurance risks" this includes (but is not limited to) fire, explosion, earthquake, storm, flood, escape of water or oil, subsidence, heave, landslip and malicious damage. The policy must be for the cost of full reinstatement of the Property, including clearing the site and paying all fees and expenses. This means that the amount of the policy must be enough to put the Property back to its original state following any amount of damage or destruction. Further details about your insurance obligations are in your Offer;
 - (b) you will tell the insurer of our interest in the Property as heritable creditor and will arrange for our interest to be noted on the policy or you will insure the Property in your and our joint names;
 - (c) you will give us proof of payment of the premiums if we ask for this.
- 4.3 If the Property is leasehold or part of larger subjects and the terms of the lease or the title conditions provide for the Property to be insured along with other properties, then the Property will not need to be insured separately as stated above provided that:
 - (a) you tell the insurer of our interest in the Property as heritable creditor and arrange for our interest to be noted on the policy;
 - (b) we or our legal advisers have approved the policy and confirmed that the insurance is in force; and
 - (c) you must ensure that the Property remains insured against all usual house insurance risks and for the cost of full reinstatement of the Property.

- 4.4 You will not do anything or allow anything to be done or not done which may make the insurance void or voidable (invalid) or which makes the insurance more difficult or expensive to obtain or maintain or affects the ability to make a claim.
- 4.5 We may settle and adjust any claims against the insurers of the Property. In the event of a payout following a claim on the policy (whether arranged by you or us), we may receive any money paid out under the claim or, if you receive it, you must hold it on our behalf and keep it separate from your other funds. We can choose whether to use any money paid under the insurance policy either to rebuild or repair the Property or reduce or pay off the sum secured by the standard security (as long as we act reasonably, for example we will use the money to rebuild or repair the Property if this is needed to ensure the Property continues to be habitable).

5 Action We May Take

- 5.1 If you:
- (a) fail to pay any of your monthly payments to us; or
 - (b) fail to pay any other money you owe to us; or
 - (c) are in breach of any of the terms or obligations in (a) the Offer, (b) these Terms or (c) the standard conditions referred to below,
- then we may call up the standard security (which means we can insist you pay in full the Loan and any other money that you owe to us under any other agreement which is secured against the Property, failing which we can sell the Property) or otherwise deal with the Property as though a default within the meaning of standard condition 9(1)(b) of the standard conditions, contained in schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970, had occurred.
- 5.2 If we call up the standard security, you must remove all furniture and other moveable property (personal items) from the Property within 14 days and must not remove any fixed items without our agreement in writing as these form part of the Property.
- 5.3 If all furniture and moveable items are not removed within 14 days then you agree that we may:
- (a) deal with them as your agents and at your expense;
 - (b) sell or otherwise dispose of anything which belongs to you (we will give you any proceeds received less all expenses of the sale); and
 - (c) remove and store anything which we know does not belong to you.

6 When We Can Act On Your Behalf

- 6.1 Sometimes we may need to take certain action (such as to sign documents) on your behalf to protect our security. You therefore appoint us to be your attorney to take such action where necessary. This means we are legally entitled to act on your behalf. We are appointed for as long as the standard security remains in force securing any money you owe to us.
- 6.2 If there is more than one of you then you agree that we will be attorney for one of you and a person or persons authorised by us may act as attorney for the other(s) as necessary.
- 6.3 You give us a power of attorney authorising us to act on your behalf to take any action which you are obliged to take under these Mortgage Conditions, including but not limited to:
- (a) signing and completing any document which is needed to make good any defect in your title to the Property or in the standard security;
 - (b) transferring your share or interest in any residents' society or management company, when we exercise our powers as heritable creditor to sell or lease the Property;
 - (c) entering into any variation of your title to the Property in order to protect or enhance our security; and
 - (d) settling any claim made by your landlord (if the Property is leasehold) or management company if we think it reasonable for us to settle it in order to protect our security or maintain its value, even though you may dispute the sum claimed.

7 Compensation from Third Parties

- 7.1 You may at some time be entitled to recover money or damages:
- (a) to correct or compensate for defects or damage relating to the Property or the title to it; or
 - (b) for any breach of contract or wrongful act or omission which may have caused damage to the Property or to the title to it or caused you to accept the Property or the title to it in a damaged or defective condition.
- 7.2 If you do, you must use the money or damages recovered either towards making good the damage or defects or towards payment of the money secured by the standard security.

ADDITIONAL CONDITIONS FOR BUY TO LET PROPERTIES

8 Additional Conditions for Buy to Let Properties

- 8.1 Conditions 9 to 29 below apply where your Offer states that the Property purpose is "buy to let" or "consumer buy to let", or otherwise states that the mortgage is a buy to let (or consumer buy to let) mortgage.

9 Consent to Letting

- 9.1 We consent to the Property being let. Following completion of your Loan, if the Property is not already let you must use your best endeavours to find a suitable tenant and to let the Property on the open market in accordance with the Mortgage Conditions set out below. You are not allowed to occupy the Property yourself and you must not, without our prior consent, allow the Property to be occupied by any person other than a tenant in accordance with these Mortgage Conditions

10 Tenancy Requirements

- 10.1 In relation to the letting of the Property any tenancy must:
- (a) be set out in writing between you and the tenant(s);
 - (b) be a private residential tenancy (for a minimum period of six months) or a short assured tenancy (for a minimum period of six months and a maximum period of three years);
 - (c) where the tenancy is a short assured tenancy for a term of more than one year, contain a provision (a "break clause") permitting you to terminate the tenancy after expiry of the first twelve months of the term and at any time prior to the term end date by giving to the tenant at least two months' notice in writing;
 - (d) be in respect of the whole of the Property;
 - (e) state that the tenancy cannot be assigned or the Property sublet without your consent;
 - (f) where the tenancy is a short assured tenancy, include a condition that the tenancy can be terminated under Ground 2 and Ground 8 of Schedule 5 of the Housing (Scotland) Act 1988;
 - (g) where the tenancy is a short assured tenancy, be on the basis that a notice under section 32 of the Housing (Scotland) Act 1988 must be served on the tenant(s) prior to commencement of the tenancy. This notice must be a separate document to the tenancy agreement. Any notice which is contained in the tenancy agreement is not acceptable;
 - (h) not contain any terms which could adversely affect our interest as lender in the Property;
 - (i) where the tenancy is a short assured tenancy, not contain any provision which would allow the tenant to renew the tenancy on a perpetual basis;
 - (j) be for the purpose of using the Property as a private dwelling house only and not for any other purpose;
 - (k) include a provision that no alterations are allowed to the Property without your consent; and
 - (l) where the tenant is a company, meet the conditions of condition 26 below.

11 Unacceptable Tenancies

11.1 We will not accept the following:

- (a) Holiday lets.
- (b) Any letting in respect of which a mandatory licence for the Property must be obtained from the Local Authority for any reason (other than any requirement to be entered on the register of private landlords maintained by a Local Authority).
- (c) A letting to any of the following:
 - (i) a member of your family (i.e. your spouse or civil partner, a person (whether or not of the opposite sex) whose relationship with you has the characteristics of the relationship between husband and wife, or your parent, brother, sister, child, grandparent or grandchild);
 - (ii) an asylum seeker;
 - (iii) a person having the benefit of diplomatic immunity;
 - (iv) a local authority; or
 - (v) a housing association.

12 Tenants

12.1 All occupiers of the Property aged 18 or over must be tenants and, where there is more than one tenant, they must all be parties to one single tenancy agreement. There can be no more than two tenants to such a tenancy agreement.

13 Children over 18

13.1 Any child who is 18 or over and is to reside at the Property must be a party to the tenancy.

14 Tenants

14.1 Unless we provide our prior written agreement, you must not:

- (a) give consent to any alterations to the Property by the tenant;
- (b) give consent to any assignment of the tenancy or subletting of the Property by the tenant.

15 If the Property is Untenanted

15.1 You must notify us immediately if the Property is untenanted for longer than one month.

16 Repair and Maintenance

16.1 You must comply with all statutory and other legal requirements relating to the repair and maintenance of the Property, including but not limited to fire and health and safety and, where the Property is let partly or fully furnished, requirements relating to furnished lettings.

17 Health and Safety

17.1 You must comply with all relevant health and safety legislation applicable from time to time to landlords of residential property. You must seek independent advice if you require further assistance in relation to this. Examples include:

- (a) the Electrical Equipment (Safety) Regulations 2016;
- (b) the Gas Safety (Installation and Use) Regulations 1998;
- (c) the Furniture and Furnishings (Fire) (Safety) Regulations 1983 as amended; and
- (d) the repairing standard under the Housing (Scotland) Act 2006.

18 Deposits

18.1 You must ensure that any deposit taken by you in relation to the tenancy is held in an approved Tenancy Deposit Scheme as defined in the Housing (Scotland) Act 2006 (or any amending or replacement legislation).

19 Insurance

19.1 Letting the Property may affect buildings and/or contents insurance cover. You must ensure that any buildings insurance cover will continue during any letting of the Property in accordance with your obligations regarding insurance of the Property contained in these Mortgage Conditions.

20 Information for Tenants

- 20.1 Where the tenancy is a private residential tenancy, you must comply with the Private Residential Tenancies (Information for Tenants) (Scotland) Regulations 2017 (or any amending or replacement regulations) which require you to provide the tenant with the Easy Read Notes for the Scottish Government Model Private Residential Tenancy Agreement or the Private Residential Tenancy Statutory Terms Supporting Notes.
- 20.2 Where the tenancy is a short assured tenancy, you must serve a notice on the tenant(s) under section 32 of the Housing (Scotland) Act 1988 in compliance with condition 10.1(g).

21 Other Statutory and Legal Requirements

21.1 You must comply with any other statutory and legal requirements to provide the tenant(s) with information about the tenancy. Examples include: giving the tenant(s):

- (a) an Energy Performance Certificate for the Property;
- (b) a copy of the current Gas Safety Certificate for the Property;
- (c) a copy of the current Electrical Installation Condition Report for the Property.

22 Registered Landlord

22.1 You must be registered as a landlord (or have an application pending) with the Local Authority for the area in which the Property is located at all times when the Property is let.

23 Letting Agents and Property Factors

23.1 If you intend to instruct a letting agent or a property factor to manage the Property on your behalf, then you must ensure that the letting agent is properly registered on the Scottish Letting Agent Register and fully adheres to the Letting Agent Code of Practice and that the property factor is properly registered on the Scottish Property Factor Register and fully adheres to the Code of Conduct for Property Factors.

24 Tenancy Agreement

24.1 We do not require to see the tenancy agreement. If we request it, you must provide us with:

- (a) where the tenancy is a short assured tenancy, a certified copy of any form AT5, receipted by the tenant(s) acknowledging receipt of the form AT5; and/or
- (b) a certified copy of the tenancy agreement.

25 Energy Efficiency

25.1 You must comply with all statutory and other legal requirements relating to the energy efficiency of the Property. In particular you must not let the Property where the valid Energy Performance Certificate in respect of the Property states an energy performance indicator (rating) which is below any minimum standard of energy efficiency which applies to the Property from time to time unless one or more of the exemptions as set out or referred to in applicable regulations applies.

26 Lettings to Companies

- 26.1 In addition to conditions 9 to 25 above (other than condition 10.1(b), 10(c), 10.1(f), 10.1(g) and 10.1(i) under condition 10, condition 18 (where applicable), condition 20 and paragraph (a) of condition 24.1) and in addition also to conditions 27 to 29 below the following conditions apply to lettings to companies:
- the letting must be for a maximum term of two years and the tenancy agreement must state that the tenancy cannot be assigned or the Property sublet;
 - the letting must state that it is capable of being terminated at any time on 6 months' notice by or on behalf of the landlord;
 - occupation of the Property must not be limited by the tenancy agreement to a named individual employee. Occupation should be available to any employee of the tenant Company, subject to your prior approval of the selected employee and subject to the tenancy agreement providing that any employee who resides in the Property is permitted to do so on a service occupancy basis only;
 - you must not be connected to or associated with the tenant Company; and
 - the letting must not contain any provision which would allow the tenant Company to renew the tenancy on a perpetual basis.

27 Tenancy not Binding on Us

- 27.1 For the avoidance of doubt, if any tenancy is granted which does not comply with Mortgage Conditions 9 to 26, it will not have our consent and will not be binding on us.

28 No Sale and Rentback

- 28.1 You must not be acquiring (or have acquired) the Property from the seller on terms which mean that the Property is rented back to the seller and the seller must not have acquired the Property on such terms. Our legal adviser must make all reasonable enquiries to ensure that there are no sale and rentback arrangements and must report to us if any such arrangement exists or is to be put in place in relation to the Property.

29 Valuations

- 29.1 You agree that we can carry out valuations of:
- the Property; and
 - any other property that you have granted us security over to secure any amount you owe to us
- From time to time after giving you reasonable notice (but not more than once in respect of any such property in any one period of 12 months). We may also carry out a valuation of any such property following a notice from you that you intend to repay the money specifically lent to you for any such property. This is so we can check the loan to value ratio applicable to the Property or properties from time to time held as security for the amounts you owe us.
- 29.2 We can choose what type of valuation is appropriate to carry out for example physical inspection or a desk top valuation. Any valuation we carry out will be for our sole benefit and you are not entitled to a copy
- 29.3 You will pay the cost of each valuation. The applicable fee is stated in the Tariff. You can always find out the fee applicable by contacting us.

PART 3 – GENERAL TERMS

1 Joint Borrowers

If there is more than one of you:

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

2 Additional Conditions for Joint Borrower Sole Proprietor Mortgages

The conditions below apply where you have a Joint Borrower, Sole Proprietor Mortgage. Under a Joint Borrower, Sole Proprietor Mortgage not all borrowers own the Property taken as security for the Loan.

- If you have a Joint Borrower Sole Proprietor Mortgage, the Mortgage Loan Terms in Part 1 of these Terms apply in full to all borrowers named in the Offer. This means that all borrowers are responsible together and individually for repayment of the Loan and must comply with any Additional Conditions set out in the Offer. This applies whether you own the Property taken as security or not.
- The Mortgage Conditions in Part 2 of these Terms, relate to the security we take over the Property and the obligations of the owner of the Property. They apply to any borrower who is the owner of the Property.
- If you are a borrower who is not also the owner of the Property, you
 - must do all you reasonably can to ensure that the owner of the Property complies with their obligations set out in the Mortgage Conditions in Part 2 of these Terms; and
 - you are responsible for repayment of our reasonable costs incurred where the owner of the Property fails to comply with their obligations. Some examples of these costs include:
 - where we incur costs to protect our security over the Property;
 - where the owner of the Property does not comply with their obligations and we incur a cost which is added to the Loan. An example of this is where we insure the Property because the owner has failed to do so and add the cost of this to the Loan; and
 - repayment of any fees charged by a receiver appointed over the Property.
- If you are the borrower who is not also the owner of the Property and you will be living in the Property after the Loan completes, or if you move into the Property at any time in the future:
 - you must notify us of this either at the point of application for the Loan, or before you move into the Property;
 - any claim, interest or right you have to reside in the Property will be subject to the legal charge we have over the Property under the Mortgage Deed, this means if payments due under the Loan are missed, or if there is a breach of these Terms, we are entitled to take possession of the Property and you will have to leave so that the Property can be sold; and
 - you agree to sign any document or declaration we may require now or in the future, to confirm these matters.
- We, or a legal adviser acting on our behalf, will provide a copy of the Offer (including these Terms) and Mortgage Deed to the legal adviser nominated by the borrower who is not the owner of the Property, in order to provide them with independent legal advice. This is to ensure that the legal adviser has the information necessary to be able to advise the non-owning borrower on the nature and risk of the Loan and the security, and their liabilities and obligations in relation to the Loan and these Terms. This information will include the personal data of all borrowers named in the Offer.

We and any legal advisers will each be controlling your personal data separately and will each be responsible for providing you with information about how we/they will process and use your personal data. For information about how we will process and use your personal data, please see our Privacy Notice, a copy of which can be obtained from our website at www.accordmortgages.com

3 Transferring the Standard Security

- 3.1 We may transfer our interest in the Loan and the standard security to another party at any time on such terms as we may decide. This will not reduce your rights under the standard security.
- 3.2 Unless the terms of the transfer state otherwise, a transferee of the Loan and the standard security will be able to exercise all the rights, powers and remedies which we could exercise before the transfer. You will have to do everything that you have to do under these Terms for our benefit for the transferee's benefit instead (such as making payment to them).

4 Notices

- 4.1 If we have to tell you something we may do so either:
 - (a) personally, which means:
 - (i) by post to your last known address (which unless you have told us otherwise means the Property); or
 - (ii) by email to any email address you have given us for this purpose; or
 - (b) by advertisement, which means advertisements in national newspapers of our choice (you can find out the current newspapers we use by telephoning our Customer Contact Centre).
- 4.2 If we give you such notice either personally or by advertisement then it will be considered as given on the following days:
 - (a) Post: the second working day after the date of posting (regardless of class of post).
 - (b) Email: the day the email sent.
 - (c) Press advertisements: The day in which the advertisement first appears in the newspapers we use.

5 Other Terms To Be Aware Of

- 5.1 All communications between us may be monitored or recorded to improve the quality of our service and for your protection and security.
- 5.2 Where the Property is in Scotland or Northern Ireland and it is our policy to do so we require that we hold the title deeds to that Property. Where we hold the deeds to the Property you may ask us to send them to your legal representative or to supply extracts from or copies of the deeds to you or your representative. We can impose conditions in doing so and you may have to pay a charge for these services.
- 5.3 Each of the provisions of these Terms are distinct from each other. If one or more provisions becomes illegal, invalid or unenforceable, this will not affect any of the remaining provisions.
- 5.4 Laws and regulations imply certain terms into our agreement with you. For example, as well as the powers set out in these Terms, we and you both have some other legal rights. Unless these Terms explicitly disapply those rights, they will be applicable to you or us.
- 5.5 If we decide not to enforce any part of these Terms or delay enforcing it on a particular occasion, this will not affect our right to enforce the same part at a later date.
- 5.6 No person other than a party to these Terms may enforce any rights under these Terms or under any other agreement made in connection with the Loan or the standard security under the Contracts (Rights of Third Parties) Act 1999 or the Contract (Third Party Rights) (Scotland) Act 2017. These laws allow certain people to use the rights of an agreement even though they are not a party to it, so they are excluded to ensure that this cannot happen. A party to these Terms and any related agreements includes anyone we transfer our rights to.
- 5.7 These Terms are governed by the laws of that part of the United Kingdom where the Property the subject of the Offer is situated

Contact Us

 Call our Customer Contact Centre on: **0345 1200 872**

 Visit [accordmortgages.com](https://www.accordmortgages.com)

 Write to us at: **Accord Mortgages, Yorkshire House, Yorkshire Drive, Bradford BD5 8LJ**

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Communications with us may be monitored/recorded to improve the quality of our service and for your protection and security. Calls to 03 numbers are charged at the same standard network rate as 01 or 02 landline numbers, even when calling from a mobile. Buy to Let Mortgages are not regulated by the Financial Conduct Authority.

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