

Example product conditions (01/01/2016 onwards)

Definition of **PRODUCT**

A **PRODUCT** consists of an interest rate, fixed or tracker, the time period it covers and may include specific reference to purchase or remortgage.

Conditions

PRODUCT Name:

1. **PRODUCT** Description
2. Interest rate of **PRODUCT**
3. Reversion rate of **PRODUCT**
4. The Lender may end the **PRODUCT** early if the borrower does not keep to the terms of the mortgage.
5. The Lender may increase the margin at any time after the end of the **PRODUCT** provided that where the Mortgage is subject to the Consumer Rights Act 2015 the Lender may only increase the margin:-
 - (a) to reflect market conditions or general banking or mortgage administration practice;
 - (b) to reflect any actual or prospective change in the cost to the Lender of funding the Mortgage or providing its services to the Borrower;
 - (c) to take account of a decision by a court, ombudsman, regulator or similar body;
 - (d) because of changes to law, codes of practice or the way in which the Lender is regulated;
 - (e) to allow the Lender to administer the Mortgage or Loan more efficiently or at less cost;
 - (f) or for any other valid reason.
6. If the Loan is stated, in this offer of loan, as being on an interest only basis (that is the Monthly Payments comprise interest only and the capital is repayable at the end of the term) then the Lender may change the Loan to a repayment basis (as a consequence of which the Monthly Payments shall include capital and interest and shall increase significantly):-
 - (a) at any time in the circumstances set out in condition 10.7 of the accompanying Mortgage Conditions; or
 - (b) at any time after the **PRODUCT**.

Where the Consumer Rights Act 2015 applies to the Mortgage the Lender may only change the Loan to a repayment basis under paragraph (b) to ensure the Lender's business, either in general or in so far as it relates to the Mortgage, is carried on prudently and efficiently or to help the Lender remain competitive.

7. A change in the **PRODUCT** under 4, margin under 5 or conversion to a repayment basis under 6 shall not take effect until the Lender has given 28 days' written notice to the Borrower under the Mortgage Conditions. For the avoidance of doubt, provided it is acting reasonably the Lender may make a change or variation under 4, 5 or 6 even though a similar change or variation is not made to arrangements with other borrowers.

8. If at any time during the Early Repayment Period:

- (a) the Borrower repays all or part of the Mortgage Debt; or
- (b) all or part of the Mortgage Debt becomes repayable under the Mortgage Conditions; or
- (c) all or part of the Mortgage Debt is transferred to another product of the Lender;

the Borrower must pay to the Lender an additional amount (**product specific**).

9. In this condition:-

- (a) the Lender shall determine LIBOR to apply in an Interest Period. LIBOR in respect of a given Interest Period shall be based on the London InterBank Offered Rate for three month sterling inter-bank deposits, as published on the last working day of the preceding Interest Period;
- (b) if for any reason the Lender cannot determine LIBOR in accordance with (a) the Lender may set it at whatever rate it may reasonably consider appropriate in light of market circumstances then prevailing;
- (c) in determining LIBOR the Lender may round up any average rate to the nearest 0.1%.

The Lender's determination of LIBOR shall, in the absence of an obvious error, be conclusive.

10. The arrangement fee as stated in this offer of loan is (**product specific**) and may be paid in full prior to completion or added to the Loan. If added to the Loan, interest will be charged on it in accordance with the Mortgage Conditions.

11. This offer of loan will lapse if completion is not effected within two calendar months of the date it is issued.