

**Responsible Lending's  
Lifetime Mortgage  
Terms and Conditions**

# 1 Introduction

- 1.1 Responsible Lending's Lifetime Mortgage Terms and Conditions form part of a set of documents that make up your mortgage.
- 1.2 Your Lifetime Mortgage is made up of these Lifetime Mortgage Terms and Conditions, your Offer Letter, the Offer, the Mortgage Deed for properties in England and Wales or the Standard Security for properties in Scotland and the Tariff of Charges.
- 1.3 You should read these documents carefully and your Legal Adviser should also explain them to you. If you have any questions regarding these documents, please discuss them with your Legal Adviser.
- 1.4 Throughout these documents a number of terms are used. In this section, definitions, we explain the meaning of these terms. These terms start with capital letters so you can identify them, but we do not use capital letters for frequently used personal terms such as 'you' or 'we'.

Additional Drawdown -	means an additional Lifetime Mortgage Loan payment made under the terms referred to in Section 14 of the Offer.
Cognitively Impairment -	means loss of mental ability resulting in loss of orientation, confusion or concentration and memory. Such mental impairment is measured by specific tests to determine memory loss, orientation and judgement;
Completion -	means the date we first advance you money under your lifetime mortgage.
Default Event-	means any of the following:  <ol style="list-style-type: none"><li>1. If it comes to our attention that any information which you have provided to us when applying for the Lifetime Mortgage is inaccurate or untrue in any material way</li><li>2. If the Outstanding Balance has not been repaid within 12 months of the date it became payable under the Terms &amp; Conditions of the mortgage</li><li>3. If you break any of your material obligations to Responsible Lending under our Terms and Conditions</li><li>4. If you leave the property unattended for a continuous period of two months or more without our agreement</li><li>5. If you are sequestrated or become bankrupt, or if you enter into a composition or other arrangement with your creditors</li></ol>
Drawdown Facility -	means the facility (if any) as shown in Section 6 of the Offer.
Early Repayment Charge -	means the amount you may have to pay us if you choose to repay all or part of the Outstanding Balance early. How we decide whether we require an Early Repayment Charge,

	and how we calculate this, is described in Section 13 of the Offer.												
Estimated Term -	means the estimated duration of your Lifetime Mortgage as set out in Section 5 of the Offer.												
Initial Lump Sum -	means the Lifetime Mortgage Loan to be taken at Completion as shown in Section 6 of the Offer												
Interest Rate -	means the rate of interest set out in Section 5 of your Offer.												
Lifetime Mortgage -	means these Lifetime Mortgage Terms and Conditions, your Offer Letter, the Offer, the Offer Acceptance Form, the Mortgage Deed or Standard Security and the Tariff of Charges.												
Lifetime Mortgage Loan -	means the total amounts advanced under your Lifetime Mortgage												
Long Term Care -	means that you have chosen to leave the Property because you are no longer able to carry out two or more Personal Care Activities without the assistance of another person, or because you are suffering from Cognitively Impairment.												
Monthly Loan Withdrawal -	Means the monthly loan advance (if any) as shown in Section 6 of your Offer												
Monthly Payment -	means the monthly amount you have decide to pay (if any) as set out in Section 8 of the Offer.												
Mortgage Deed or Standard Security-	means the document which gives us security over the Property for the Outstanding Balance and which incorporates these Terms and Conditions.												
Offer -	means our written offer(s) to provide you with a Lifetime Mortgage Loan (as amended from time to time), including any subsequent written offer(s) to provide you with an Additional Drawdown.												
Outstanding Balance -	means the total of all money you owe to us at any time under your Lifetime Mortgage.												
Personal Care Activities -	means one or more of the following personal care activities as described by the Association of British Insurers: <table border="1" data-bbox="587 1283 1385 1865"> <thead> <tr> <th>Personal Care Activity</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Dressing</td> <td>Being able to put on, take off, secure and unfasten all clothes and, as appropriate, braces, artificial limbs or other surgical appliances</td> </tr> <tr> <td>Feeding</td> <td>Being able to feed oneself food which has been prepared and made available</td> </tr> <tr> <td>Mobility</td> <td>Being able to move from room to room in the home</td> </tr> <tr> <td>Transferring</td> <td>Being able to move from bed to an upright chair or wheelchair and vice versa</td> </tr> <tr> <td>Washing</td> <td>Being able to wash in a bath or shower (including getting into or out of either) or wash by any other means</td> </tr> </tbody> </table>	Personal Care Activity	Description	Dressing	Being able to put on, take off, secure and unfasten all clothes and, as appropriate, braces, artificial limbs or other surgical appliances	Feeding	Being able to feed oneself food which has been prepared and made available	Mobility	Being able to move from room to room in the home	Transferring	Being able to move from bed to an upright chair or wheelchair and vice versa	Washing	Being able to wash in a bath or shower (including getting into or out of either) or wash by any other means
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Proceeds of Sale -	means the price at which the Property is sold, less solicitors' and estate agents fees.												

Property -	means your home described within the Offer or such other substituted property as we accept as security for the Outstanding Balance
Repayment Date -	the date you repay the Outstanding Balance
Tariff of Charges -	means the booklet which we have given you setting out the costs and charges associated with your Lifetime Mortgage. We will review these costs and charges from time to time and can change them or introduce new costs to reflect any reasonably incurred costs resulting from changes in the services we provide or the level of our costs in providing services or otherwise administering mortgage accounts, or from any additional requirements on us from changes in legal or regulatory requirements.
Term -	means the period from Completion to the Repayment Date
Terms and Conditions	Means the terms and conditions set out in this document
Transferee -	means anyone who is entitled to exercise any of our rights under the Offer, the Lifetime Mortgage, the Mortgage Deed or or Standard Security or these terms and conditions as a result of a transfer by us
Valuer -	any person who provides (or has provided) us with a professional opinion of the value of the Property
We, Us and Our	Responsible Lending Limited or any person or company to whom we assign or transfer your Lifetime Mortgage.
You, Your	means the borrower(s) named in the Offer and/or any personal representative(s) appointed who are legally responsible for dealing with your affairs, including executors of your estate.
Your Legal Adviser	means a solicitor, or barrister, or licensed conveyancer or chartered legal executive acting on your behalf and providing you advice on your Lifetime Mortgage

## 2 Interpretation

- 2.1 In these terms and conditions “we”, “our” and “us” means Responsible Lending Limited and any Transferee and “you” or “your” means the borrower or borrowers named in the Offer. It includes your personal representatives and executors and anyone claiming any right or interest from or through you.
- 2.2 If there are two of you, your obligations under your Lifetime Mortgage are joint and several so that you will each be fully liable to us for the whole of the Outstanding Balance.
- 2.3 In the event of any conflict between the provisions of the Offer and these Terms and Conditions, the Offer will prevail.

## 3 Your Duties

- 3.1 The duties set out in these Terms and Conditions continue until the Outstanding Balance is fully repaid.
- 3.2 You must keep to the terms set out in your Lifetime Mortgage Offer and these Terms and Conditions.

## 4 Conditions

- 4.1 Before we make your Lifetime Mortgage Loan we must receive the following documentation and in each case we must be satisfied with its form and content.
1. The Mortgage Deed or Standard Security signed by you
  2. Confirmation from your Legal Adviser that they have fully and clearly explained to you the terms of the Lifetime Mortgage and the situations in which it will become payable
  3. Confirmation from our legal adviser that you have good and marketable title to the Property (including where there are joint borrowers that the Property is owned by both of you) and that there are no outstanding mortgages, charges or encumbrances over the property or that they will be discharged at the completion and that all our conditions have been met
  4. Confirmation that the Property is insured in accordance with these Terms and Conditions including a declaration as referred to in that Condition.
- 4.2 You will be bound by:
1. The Mortgage Deed or Standard Security that you have signed
  2. The mortgage Terms and Conditions in this booklet (which are the terms and conditions that are referred to in the Mortgage Deed or Standard Security and Lifetime Mortgage Offer)

3. The Lifetime Mortgage Offer of your initial lifetime mortgage loan and the Lifetime Mortgage Offer of any further loan we make to you.
- 4.3 The mortgage deed or the standard security secures the following:
  1. Each amount specified in the Lifetime Mortgage Offer as the loan
  2. Any interest costs charges and expenses payable under the Offer and these Terms and Conditions
  3. Any Early Repayment Charge or other sums or fees
  4. Any other amount which you agree (whether before or after we make the Initial Lump Sum) is to be secured by the mortgage deed or the standard security
  5. Any special Terms and Conditions which apply to the lifetime mortgage loan (e.g. Interest Rate) will be set out in the Offer of that mortgage loan.
- 4.4 In some instances we may need to apply special conditions to your lifetime mortgage. These special conditions may require you to do something, for example carry out essential repairs to the Property as recommended by the Valuer.
- 4.5 We may apply special conditions to your lifetime mortgage and these special conditions will be shown in your Offer.
- 4.6 We may ask you to satisfy the special conditions before the lifetime mortgage Completes. Otherwise we will ask you to satisfy the special conditions after the lifetime mortgage Completes and in this instance, you will be given a reasonable period of time to satisfy the conditions.
- 4.7 We may require you to provide documents to confirm that the special conditions have been satisfied and/or we may decide to re-inspect the Property.
- 4.8 Details of all charges are contained in The Tariff of Charges. We may update our charges from time to time.

## 5 Your Lifetime Mortgage

- 5.1 This Lifetime Mortgage is designed to run for the rest of your life or until you have to permanently leave the Property because you need Long Term Care.
- 5.2 The benefits of this lifetime mortgage are as set out in Section 6 of the Offer. Any additional borrowing from your Drawdown Facility and any future Monthly Loan Withdrawals are subject to the following conditions;
  - Responsible Lending having available funding
  - The Monthly Loan Withdrawal option has not been withdrawn i.e. the option continues to be available for new business customers
  - Property indices have not fallen by more than 5% in a twelve month period. In the event of property indices falling by more than 5%, Additional Drawdowns will be made available once the indices have returned to the level prior to the fall e.g. a property index was at 1200 but fell to 1140 triggering the cessation of additional drawdowns. For drawdowns to once again be available the index would have to recover to 1200 notwithstanding how far it fell.

- Your outstanding balance being no greater than 80% of the current property value or when the Drawdown is added to the current outstanding balance it will not exceed 80% of the current property value
- For loans that track an index, then the total interest rate being less than the capped rate of interest as stated on your mortgage offer
- You have not being declared bankrupt
- You have maintained the property in good condition and in accordance to these Terms and Conditions

5.3 If any of the above conditions apply, then any Monthly Loan Withdrawals will cease and you will not be able to borrow any more money from the Drawdown Facility.

5.4 In order to assess changes in your Property value we have the right to choose any of the recognised indices e.g. Halifax House Price Index, The Nationwide House Price Index. We also have the right to determine the level of index to use e.g. national, regional, postcode etc.

5.5 If the property is owned on a tenants in common basis, when the first life dies, then any Monthly Loan Withdrawals will cease and you will not be able to borrow any more money from the Drawdown Facility.

## 6 Repaying your Lifetime Mortgage

6.1 This lifetime mortgage must be repaid when you (or both of you if you are borrowing jointly) have died, or you (or both of you if you are borrowing jointly) have permanently left the Property because you require Long Term Care or there is a Default Event.

6.2 Entry into Long Term Care shall mean you are suffering from Cognitive Impairment or are unable to undertake at least two Personal Care Activities.

6.3 If you have permanently left the Property because you need Long Term Care, you must provide written confirmation from a qualified doctor, or other medical or care professional who is acceptable to us. This must confirm that due to your physical and/or mental medical condition you are no longer able to live in the Property and you are receiving permanent care away from the Property. If the written confirmation is not reasonably satisfactory to us then payment of the Outstanding Balance will be regarded as early repayment and an Early Repayment Charge may be payable.

6.4 The Outstanding Balance, including all of the interest and charges due to us will usually be repaid from the sale of your Property, although the Outstanding Balance can be repaid from other funds

- 6.5 When you or both of you if you are borrowing jointly have died, or you (or both of you if you are borrowing jointly) have permanently left the Property because you require Long Term Care your personal representatives will have a period of 12 months from the date the event occurs in which to fully repay the Outstanding Balance. If at the time you leave the Property because you need Long Term Care, but do not know this is permanent, you must keep us informed and the 12 month period will commence from the date when you know that this position is permanent. If the Outstanding Balance is to be repaid from the proceeds of sale you or your personal representatives must notify us as soon as possible.
- 6.6 These Terms and Conditions apply to any sale of the Property by you or your personal representatives. If the Property is not sold within 12 months of the Outstanding Balance becoming repayable we can take possession of the Property and sell it to recover the Outstanding Balance.
- 6.7 You can choose to repay the loan(s) at any time. If you repay the loan early we may apply an Early Repayment Charge. The Early Repayment Charge will vary for different loans. The Early Repayment Charge applying for each loan is set out in the Offer document for that loan.
- 6.8 You can only make one voluntary capital repayment, per loan, in each calendar year. Customers can pay up to 10% of the capital balance of each loan, the capital balance being the balance on each loan at the start of the calendar year, without incurring an early repayment charge

## 7 Sale of Your Property

- 7.1 You may sell the Property at any time but if you do not transfer your Lifetime Mortgage to another property you must repay the Outstanding Balance including any Early Repayment Charge in order for us to release the Mortgage Deed or Standard Security over the Property.
- 7.2 You or your personal representative must give us prior notice of the intention to sell the Property and provide us with such information as we may reasonably require including price, sale particulars, costs of sale, and details of your Legal Adviser.
- 7.3 To ensure that the property is sold at the best price reasonably obtainable we may ask our Valuer to value the property. If we do the Valuer's fee will be added to the Outstanding Balance.
- 7.4 If it appears that the sale proceeds would not be enough to repay the Outstanding Balance then we may want to make the Property more marketable. The amount we spend on this will be added to the Outstanding Balance.

- 7.5 Where you or your personal representatives propose to market the property at a price which is less than the Outstanding Balance, you must notify us in writing and we will agree a sale price with you or your personal representatives. We may review this price every 6 months and may ask our Valuer to obtain a new valuation. If we do the Valuer's fee will be added to the Outstanding Balance.
- 7.6 If we are unable to agree a sale price the matter will be referred to a Valuer who is acceptable to you and us. If the parties cannot agree a Valuer within fourteen days, both parties agree to accept the appointment suggested by the President of the Royal Institute of Chartered Surveyors.
- 7.7 The Valuer will be acting as an expert and his decision will be final and binding and determine the asking price. Any sale must be at arms-length on the best terms reasonably available.
- 7.8 If this lifetime mortgage is being repaid because you (or both of you if you are borrowing jointly) have died, or you (or both of you if you are borrowing jointly) have permanently left the Property because you require Long Term Care and the Outstanding Balance is more than the Proceeds of Sale and you have met all the Terms and Conditions in this document your beneficiaries, or your personal representative, will not have to pay us the shortfall.

## 8 Interest

- 8.1 The rate of interest charged will be specified in the Lifetime Mortgage Offer.
- 8.2 If you have agreed to pay some or all of the interest then your monthly payments will be as stated in the Offer.
- 8.3 You may, at any time, elect to stop making interest payments or reduce your monthly payment. If you do, you must first notify us in writing. We will convert the Monthly Payment and any interest you have decided not to pay will roll up and be added to the Outstanding Balance. You may have to pay a higher interest rate as set out in original Offer. You will also be charged an administration fee at our then current standard rate as set out in our Tariff of Charges.
- 8.4 If you have four Monthly Payments outstanding we will automatically convert your Monthly Payment. Any interest you had paid will roll up and be added to the Outstanding Balance. You may have to pay a higher interest rate as set out in original Offer. You will also be charged an administration fee at our then current standard rate as set out in our Tariff of Charges.

- 8.5 Any additional loans will have interest set at the interest rate being charged at the time the loan is taken out. This rate could be higher or lower than the rate applied to previous loans.
- 8.6 Interest accrues daily on the Outstanding Balance.
- 8.7 We will charge interest on any money we lend you from the date on which we release the funds to our legal adviser.
- 8.8 We will charge you interest on any costs, charges or expenses that we incur. They will be added to your Outstanding Balance and interest will accrue until the date you repay them.
- 8.9 We may debit any further loan and any costs charges and expenses to the same loan account as the initial loan or to a different account or sub account.
- 8.10 If we take possession of your Property interest will continue to accrue until the Property has been sold and the Outstanding Balance has been received in full by us.

## 9 Insuring the Property

- 9.1 You will continue to be responsible for insuring the Property, but we want to make sure that the cover is sufficient and our interest as a mortgage lender is protected should an insurance claim be necessary.
- 9.2 You must keep your Property fully insured against loss or damage with an insurance company we approve of. Sometimes you will not be able to insure the Property yourself because someone else has the legal right to insure it. An example of that would be if the Property is leasehold and the lease requires your freeholder or management company to insure it. In that case, you must do all you reasonably can to make sure your freeholder or management company insures it.
- 9.3 The insurance policy must:
1. Be with a reputable insurer
  2. Cover at least the rebuild cost (or reinstatement value) of the Property that is shown in the valuation report
  3. Cover fire, subsidence, flood, and other risks as we may from time to time require
  4. If you are purchasing the Property, be on risk immediately before exchange of contracts, or the date on which the Advance is transferred to our legal adviser, whichever is the earliest
  5. If you are re-mortgaging the Property, be on risk at least at least two working days before Completion of your Lifetime Mortgage.
- 9.4 Our interest as a mortgage lender must be noted on the insurance policy. If we have a valid reason, for example a change in insurers' practice, we may ask for cover as joint insured or co-insured on a composite basis.

- 9.5 You must not do anything that will invalidate the insurance, for example giving false information to your insurer or leaving the Property unoccupied for more than the number of days specified in the insurance policy.
- 9.6 You must pay the insurance premiums on time. You must show us your insurance policy if we wish to see it and produce receipts or other evidence that it is on risk and the premiums are paid up to date.
- 9.7 If we believe that you have not paid the buildings insurance premium or the cover has been cancelled, then we may ask you to confirm the new insurance arrangements.
- 9.8 If you fail to provide a valid insurance policy when asked, or we reasonably believe that the Property is no longer insured, or the insurance is not suitable, then we reserve the right, but are not obliged to insure the Property. If we insure the Property, we will only insure our interest and not yours. You need to pay any costs that we incur insuring the Property. If you fail to pay those costs when we ask, we will add them to the Outstanding Balance, and interest will apply to these costs.

## 10 Insurance claims

- 10.1 You must tell us as soon as possible if there is any significant loss or damage to the Property.
- 10.2 You must take reasonable steps to make sure that nothing happens which may harm your or our ability to make a claim under the insurance.
- 10.3 If it is necessary to make a claim on your insurance you must tell the insurance company as soon as possible and assist the insurance company to resolve the claim. We may also make a claim on your insurance and negotiate and settle any claims on your behalf.
- 10.4 You must ensure that your insurance company pays all money to us, but if the money is received by you it will be held in trust for us. The insurance money must be used to make good any loss or damage it has been paid for, or if both we and you agree, it will be used to reduce or repay the Outstanding Balance.

## 11 Maintaining the Property

- 11.1 You will continue to be responsible for the on-going maintenance of your Property. We will be reasonable and not expect you to maintain the property to a standard that exceeds the condition at the time we valued the property, unless your Offer was conditional on essential repairs being carried out.
- 11.2 During your lifetime mortgage you must maintain the Property in good condition and repair or replace fixtures and fittings when necessary.

- 11.3 You must carry out any essential repairs required by us as a condition of your Offer and by the date set by us. Please see the special conditions in your Offer.
- 11.4 We may require you to provide documents to confirm that maintenance and repairs have been carried out to an acceptable standard by an appropriate qualified contractor.
- 11.5 We may decide to inspect the Property, but we will tell you at least 14 days before we intend to do this, unless there is an emergency at the Property.
- 11.6 If the Property is not being maintained then we may ask you to carry out the repairs at your own expense. If the repairs are not made, we may arrange for the repairs to be carried out on your behalf and you will need to pay any Costs that we incur. If you fail to pay those costs when we ask, we will add them to the Outstanding Balance, and interest will apply to these costs.

## 12 Making Changes to the Property

- 12.1 You must tell us if you wish to alter the Property. We will not unreasonably prevent you from making changes to your Property, but we have put in place safeguards. These safeguards are to ensure that any changes you intend to make do not adversely affect the value of the Property, meet all the relevant laws and are carried out to an acceptable standard.
- 12.2 You must not alter your Property structurally, extend or convert the Property or change the use of the Property unless you have our written permission to do so. You will be responsible for paying for the cost of preparing any plans or reports required by us, and all the expenses, including ours, even if we do not give permission.
- 12.3 You must obtain all necessary planning permission and building regulations approval for the Property.
- 12.4 You must ensure that any obligations in your title deeds have been complied with.
- 12.5 All building works must be carried out to acceptable standard by appropriate qualified contractors. We may instruct an independent, qualified Valuer to inspect the completed works and you will need to pay a non-refundable Valuation Fee before the valuation of the Property.

## 13 The Property must be Your Home

- 13.1 You must live in the Property and use it as your main residence for the duration of the lifetime mortgage. You must tell us as soon as possible if you move out of the Property.
- 13.2 You must only use the Property as a private residence and you must not carry out any business or trade from the Property without our permission.
- 13.3 You must not leave the Property for a continuous period of two months or more without our permission. This is to ensure that the Property is adequately insured and looked after during your absence.
- 13.4 You must not rent out or let the Property or any part of the Property.
- 13.5 You must not create any lease or tenancy on the Property or any part of the Property without our permission.
- 13.6 Other occupiers, for example relatives, friends or carers, will not have the right to continue to live in the Property when you permanently leave the property. It is important that they understand this and we may ask them to sign an occupier consent form with the help of a legal adviser.
- 13.7 Any person who is not a borrower and is living in the Property at the time your lifetime mortgage Completes may be required to sign an occupier consent form with the help of a legal adviser in order to continue living in the Property.
- 13.8 You must tell us if you want someone else to move into the Property to live with you, for example a family member, a new partner or a carer, as we may require them to sign an occupier consent form with the help of a legal adviser.
- 13.9 Other occupiers will be responsible for paying for legal advice they receive in relation to the occupier consent form.
- 13.10 Other occupiers will not have the right to live in the Property after you (or both of you, if you are borrowing jointly) have died, or have permanently left the Property.

## 14 Other secured borrowing

- 14.1 This Lifetime Mortgage is secured on your Property and you will need our permission if you want to take secured borrowing from another lender or create any other charge on the Property. Other lenders may not be willing to lend to you because we have a first charge on the Property and the Outstanding Balance may increase due to the addition of interest.
- 14.2 You must ask our permission if you want another mortgage or loan from another lender secured on your Property, sometimes referred to as a second charge, or wish to create any other charge on the Property. Requests for another charge will be subject to individual consideration.
- 14.3 If another charge is registered on your Property, you may not be able to take any further Drawdowns and/or the Monthly Loan Withdrawals may cease until such time as the charge is removed.
- 14.4 You agree that we may apply to the Land Registry or the Registers of Scotland for a restriction to be registered on the title to the Property. This will mean that you must obtain our permission before further legal charges can be registered over the Property.

## 15 Obligations to Other Parties

- 15.1 You must pay in full and on time any service charge due on the Property
- 15.2 You must pay in full and on time any ground rent due on the Property
- 15.3 You must pay in full and on time any other lease obligation due on the property

## 16 Dealing with us

- 16.1 You must co-operate with us, or anyone appointed by us, if it is necessary to exercise any of the powers given to us by the Terms and Conditions. This includes you signing any appropriate documents or deeds relating to the Property.
- 16.2 You must ensure that any information you give us is accurate and you do not withhold information from us that we would reasonably expect to be given under the Terms and Conditions.

- 16.3 You must provide any documentation that we may reasonably require to support identities and to evidence the accuracy of an event or transaction.

## 17 Your Obligations

- 17.1 If you fail to do something you agreed to do, for example insuring and maintaining the Property, or if you do something you are not allowed to do, for example renting out the Property, then you will breach the Terms and Conditions. This section explains what a breach is and what could happen if you breach the Terms and Conditions.
- 17.2 If you fail to comply with the Terms and Conditions then we will treat this as a breach.
- 17.3 If a breach occurs we will ask you to take action to remedy the breach. We will allow you reasonable time to do so. We will take into account the nature of the breach, how long it will reasonably take you to remedy the breach and any risk of damage to the property.
- 17.4 If you do not remedy the breach then we reserve the right, but are not obliged to take action to remedy the breach on your behalf. For example, this may require us to enter the Property and carry out repairs.
- 17.5 If we take action to remedy the breach on your behalf, you will need to pay any costs that we incur. If you fail to pay those costs when we ask, we will add them to the Outstanding Balance, and interest will apply to these costs.

## 18 Default Event

- 18.1 A Default Event can occur if you fail to remedy a breach and we have exhausted all reasonable measures to resolve the breach. This section explains the specific circumstances when a Default Event can occur.
- 18.2 A Default Event will occur if any of these events happen:
1. If it comes to our attention that any information which you have provided to us when applying for the Lifetime Mortgage is inaccurate or untrue in any material way
  2. If the Outstanding Balance has not been repaid within 12 months of the date it became payable under the Terms & Conditions of the mortgage
  3. If you break any of your material obligations to Responsible Lending under our Terms and Conditions
  4. If you leave the property unattended for a continuous period of two months or more without our agreement
  5. If you are sequestrated or become bankrupt, or if you enter into a composition or other arrangement with your creditors
  6. If a Compulsory Purchase Order is made for the property.

- 18.3 You must tell us in writing immediately if a Default occurs.
- 18.4 If a Default Event occurs then we have the following rights:
- The Outstanding Balance will be immediately due for repayment
  - The Drawdown Facility will be immediately cancelled
  - Any Monthly Loan Withdrawals will cease
  - We may take legal action to take possession of the Property
  - We may appoint a property Receiver
  - We may sell the Property and use the sale proceeds to repay the Outstanding Balance
- 18.5 Should it be necessary for us to enforce the Terms and Conditions or to attempt to recover all or any part of the Outstanding Balance from you then you will be responsible for paying all the associated costs including the cost of any legal proceedings. Costs incurred by us can be added to the Outstanding Balance.

## 19 Appointment of a Property Receiver

- 19.1 As an alternative to taking possession, we can appoint a property Receiver. The Receiver will not act for us, but will act for you and has the power to sell the Property on your behalf.
- 19.2 If a Default Event occurs, or if the Property or our security appears to be at risk (for example, in danger of being enforced by another creditor), then we have the right to appoint a Receiver. We can do this without giving you any prior notice. We can also remove the Receiver and choose whether or not we need to appoint another one.
- 19.3 Any Receiver we appoint will be regarded as your agent and you will be responsible for the Receiver's actions and omissions. The Receiver can do anything in relation to the Property as if the Receiver were absolutely entitled to it.
- 19.4 Appointment of a Receiver will not be regarded as us being a mortgage lender in possession. The appointed Receiver can decide to:
- enter the Property and take possession of it
  - ensure the Property is in a good state of condition and repair and where necessary improve or replace any part of the Property
  - acquire any further Property assets or rights
  - sell or transfer all or part of the Property
  - deal with all leases on your behalf
  - exercise all powers given to you by any statute, deed or contract in respect to any part of the Property and make any arrangements with you in respect of your rights
  - appoint suitable contractors for any work that is required in relation to your Property
  - borrow money against the Property from us or anyone else

- 19.5 We will agree the fee for any Receiver that we appoint. The Receiver may take their fees and any costs they incur out of any money given to them. Alternatively, we may pay them on your behalf. You need to pay any costs that we incur. If you fail to pay those costs when we ask, we will add them to the Outstanding Balance, and interest will apply to these costs.
- 19.6 If a Default Event has occurred and we need to enforce the Terms and Conditions then we may exercise any power that a Receiver appointed by us may exercise.
- 19.7 If we, or a Receiver, take possession of your Property we are not liable for the lifetime mortgage or any defaults on it, or any loss that might be made on the sale of the Property.

## 20 Powers to sell the Property

- 20.1 We have the power of sale, and other powers from Section 101 of the Law of Property Act 1925, over your Property as part of this lifetime mortgage. We can exercise the power of sale if the need arises under the Terms and Conditions.
- 20.2 Section 103 of the Law of Property Act 1925 restricts our powers of sale and will therefore not apply to this Lifetime Mortgage. For example, we are not required to give you three months' notice before we sell the Property.
- 20.3 If we, or the Receiver have not taken possession of the Property and have to sell the Property we will not be a mortgage lender in possession. This means that you will still be responsible for the Property, for example, insuring the Property.
- 20.4 If we, or the Receiver, have to sell the Property, we or the Receiver may remove any personal belongings that you leave behind. We may store, sell or dispose of them for you. You will need to pay any costs we incur. If you fail to pay those costs when we ask, we will add them to the Outstanding Balance, and interest will apply to these costs.
- 20.5 If the Property is sold by us, or by a Receiver appointed by us, it can be sold as a whole or in parts. We may sell by auction or by private sale and the money will be payable to us by a lump sum, in instalments or a partial payment and the creation of a new mortgage.
- 20.6 If we, or the Receiver, sell the Property we can make any conditions we think are necessary and can vary or even withdraw any contract for sale.
- 20.7 If we, or the Receiver sell the Property and the Sale Proceeds of the Property exceed the Outstanding Balance, anything left over will be given to you, for the benefit of you or your beneficiaries.

## 21 General conditions

21.1 This section includes other general conditions that apply to your lifetime mortgage.

21.2 **Vulnerable customers** - A vulnerable consumer is someone who, due to their personal circumstances, is especially susceptible to financial detriment.

If Responsible Lending is of the opinion you have become a vulnerable customer, then Responsible Lending can decide not to act in accordance with your instructions and if necessary suspend any additional borrowing until such time as your Legal Adviser can confirm your understanding of the instructions you have provided.

21.3 **Power of Attorney** - you give us, or someone appointed by us and any Receiver appointed by us, separate power of attorney to act for you irrevocably and by way of security and to sign any deed or document on your behalf to do anything the Terms and Conditions require of you.

21.4 **Joint and several liability** - If you have borrowed on your own you are fully responsible to pay the Outstanding Balance and to comply with the Terms and Conditions. If you have borrowed jointly then the Terms and Conditions apply to both of you together and each of you separately. This means that each of you can be individually held fully responsible for complying with the Terms and Conditions and paying the Outstanding Balance.

21.5 **Rights of third parties** - These Terms and Conditions can only be enforced by you, your successors, your personal representatives and us, our successors and any person or company to whom we transfer your lifetime mortgage. Your personal representatives will be bound by the Terms and Conditions after your death.

21.6 **Using and protecting our rights** - If you need our permission for doing something under the Terms and Conditions you will need our permission before going ahead and should ask us for permission as early as possible.

If you need our permission under the Terms and Conditions we will not unreasonably refuse or delay that permission. For example it would be reasonable for us to refuse permission for something that we think:

1. Makes it less likely you can pay us the Outstanding Balance at any time,
2. Reduces the value of the Property, or
3. Has a significant negative impact on us in relation to this lifetime mortgage.

We will act reasonably, as any responsible and prudent mortgage lender would, when we:

1. Have the power to take action,
2. Require you to do something or not do something,
3. Require something to be acceptable to us and to our satisfaction, or
4. Require a document in a standard form.

Our rights under the Terms and Conditions will not be lost or limited:

1. By using them early,
2. By any failure to use them,
3. By any delay in using them, or
4. By using them in part only.

If we terminate your lifetime mortgage for any reason this will not affect any of our rights which we acquired during your lifetime mortgage.

**21.7 Payments** - Whenever you make a payment to us it should always be made during normal banking hours in sterling and come from you to us immediately. If a date for paying us falls on a non-working day then the payment should be made on the next working day.

**21.8 Transfer of your Lifetime Mortgage** - We may transfer or assign all or part of our rights under the Terms and Conditions and/or Mortgage Deed or Standard Security to another person or company at any time.

If we do this the person or company who takes over your lifetime mortgage will have the same rights as we have. Your rights and obligations will not be affected by this, and the Terms and Conditions of your Lifetime Mortgage will not change because of this.

We may delegate all or part of our rights and obligations under the Terms and Conditions to another person or company at any time.

We may pass on details about your lifetime mortgage to another person or company in connection with the transfer or proposed transfer of your lifetime mortgage.

You may not transfer or assign all or part of your rights under the Terms and Conditions and/or Mortgage Deed or Standard Security to anyone else.

**21.9 The law that applies to your lifetime mortgage** - Your lifetime mortgage is governed by the laws set out below. Any disputes that arise out of, or in connection with your lifetime mortgage can be settled in a court of law as set out below.

If your Property is in England or Wales, your lifetime mortgage is governed by the laws of England and Wales.

If your Property is in Scotland, your lifetime mortgage is governed by the laws of Scotland.

If any of the Terms and Conditions become invalid, illegal or unenforceable the remaining Terms and Conditions will not be affected in any way.

If any of the Terms and Conditions are not consistent with anything in the Offer, the terms of the Offer will apply.

21.10 **Changes to the Terms and Conditions** - We will only make changes in the Terms and Conditions to respond proportionately to events outside our control. We may only make changes to the Terms and Conditions in the following circumstances:

- Changes in any applicable UK or European legislation, including those about taxation,
- By order of a UK court, regulator or competent authority, or
- Changes in any applicable regulation

21.11 **Giving notice** - We will write to you to give you any notices needed under the Terms and Conditions. Any letters we send will be sent to you at the Property, unless you have given us another address to use.

You must also write to us to give us any notices needed under the Terms and Conditions. Any letters you send must be sent to Responsible Lending Limited at the address in the 'About us' section, unless we have given you another address to use.

21.12 **Variations for Properties in Scotland** - Due to the different legal practices, if your Property is in Scotland then this section will apply to you.

The Terms and Conditions apply if the Property is in Scotland, but with the following variations:

1. References to the appointment of a Receiver do not apply
2. References to 'Mortgage Deed' will mean 'Standard Security'
3. Within the Terms and Conditions, any other word, document or practice under English law will mean the equivalent under Scottish law.