

Mortgage Conditions

England & Wales 2023



About these mortgage conditions

These conditions give information about your mortgage and say what you need to do. Please read them to understand how your mortgage works. Keep them somewhere safe so you can look at them again in the future. If you have questions before your mortgage starts, please ask your solicitor or conveyancer. If you have questions after the mortgage has started, please ask us.

How to contact us



Call us on **0345 850 1711**



Message us on **Webchat**

These lines are not automated, so are not available 24/7. You can find our opening times at [skipton.co.uk](https://www.skipton.co.uk). You can contact us if you want another copy of these conditions at any time.

In these conditions, we sometimes mention 'giving you notice'. We'll give you notice when we want to give you important information about the agreement, or we need you to do something. Please see section 21 "How we'll communicate with you", which explains how we'll give you notice.

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1. Agreement for your mortgage loan

The agreement for your mortgage loan is made up of the documents listed below. They explain your obligations to us, which are legally binding on you. The agreement continues until you have paid us all the money you owe us under the agreement.

We explain the three documents below. We also call the agreement with you 'your mortgage'.

When we say 'we', 'us' and 'our' in these conditions and the agreement, we mean Skipton Building Society. It also includes anyone who takes over any of our legal rights or duties under your mortgage. If we transfer any of our rights under your mortgage to someone else, 'we' also means the person we transfer them to.

When we say 'you', 'your' and 'the borrower' in these conditions and the agreement, we mean the person or people named in the mortgage deed. We explain what the mortgage deed is below.

When we say your 'primary' account, we mean the account that relates to your initial mortgage loan with us. The primary account will always be the last to be repaid.

The agreement is made up of three documents:

These mortgage conditions

These conditions explain how your mortgage works.

Your mortgage offer

This is the written offer and contains the parts of the agreement that are specific to you. It sets out the amount of money we have agreed to lend you and the mortgage product you have chosen. It also includes details of your interest rate. Your mortgage offer may also include special conditions.

We'll make the offer before we first give you the mortgage loan. Sometimes we'll give you a new offer after the original offer. If this happens, the most recently issued mortgage offer is the one that applies. We may give you other mortgage offers in the future. We'll do this if we lend you more money or you ask us to make certain changes to your mortgage loan.

If your mortgage offer says something different, inconsistent or additional to another part of the agreement, the terms in your mortgage offer will apply, for example, if your mortgage offer says something different to these conditions, the terms of your mortgage offer will apply.

The mortgage deed

When you sign the mortgage deed, you give us rights over your property. This is known as security. We explain more about the deed and what security means in section 2 "What is security?"

The rights we have over your property mean that if you break the agreement, we can take possession of and sell your property.

The deed also gives us security for the money you owe us, which includes the initial loan and any other amounts you owe. We explain what 'the money you owe us' means in section 4 "What you have to pay".

The mortgage deed is different to the title deeds for your property. When we contact you, we may mention 'deeds' or 'title deeds'. This refers to a set of documents about the ownership of your property. The mortgage deed is a different thing and is usually kept by the Land Registry.

Joint borrowers

If you're borrowing with someone else, the agreement applies to all of you together and each of you separately. This means you're each responsible for repaying your entire mortgage loan and you're also responsible as a pair or a group.

If the relationship between you ends, you must each continue to do what the agreement says. This includes making the monthly payments.

We explain more about borrowing with someone else in section 3 "Borrowing with someone else".

Membership of Skipton Building Society

When you sign the mortgage deed, you also become a borrowing member of Skipton Building Society. If you're borrowing with someone else, each of you will become borrowing members. This means you will be bound by the Rules of Skipton Building Society (also called our 'Rules'). Copies of our Rules are available on request.

When you're borrowing with someone else, the first person named in our records is the member with borrowing membership rights. This means the person with voting rights on any resolutions. This person is called the 'representative joint borrower'.

Your borrowing membership will end if you redeem your mortgage (fully repay it), or we use our rights under the mortgage to sell or take possession of your property. It may also end if we transfer any of our rights under the mortgage to someone else.

2. What is security?

When you sign the mortgage deed, this creates a legal charge over your property. When your mortgage loan completes, it's important that we have a first legal charge over your property. This means there must not be any other mortgages on your property that take priority over ours. All the owners of your property must sign the mortgage deed.

The legal charge gives us rights over your property. This is our security for the money you owe us. These rights protect us so that if you break the agreement, we can sell your property to repay the money you owe us. This includes if you don't make your monthly payments in full and on time. We explain more about our rights in section 14 "What happens if you break the agreement with us".

We'll keep our security over your property until you have repaid the money you owe. The legal charge covers the money you owe us under the agreement that is secured by the mortgage deed.

We explain what 'the money you owe us' means in section 4 "What you have to pay".

We may consolidate (combine) our security under this agreement with any other security we have or at any time hold regarding any other money you owe us. We can do this even if you have kept your obligations under the agreement or any other security. This means we can require you to redeem both the security under this agreement and any other security at the same time. We can refuse to accept repayment of one security alone. This means that a restriction on using our right to consolidate our security, which is set out in the Property Acts, does not apply.

The law sets out restrictions on how we can use our rights in relation to your property. These restrictions are set out in the Property Acts. The law also allows us not to apply these restrictions. If we didn't exclude this restriction, we wouldn't be able to exercise our right of consolidation.

What are the Property Acts?

When we refer to the Property Acts, we mean the Law of Property Act 1925 and any new laws or regulations that amend or replace them. We explain more about the Property Acts in section 14 "What happens if you break the agreement with us".

Property rights

In these conditions, we also refer to property rights. By this, we mean your rights as the property owner. These rights include:

- if your property is leasehold, any rights or options you have to buy the freehold or superior leasehold, or obtain a new or extended lease
- any money from the sale of your property or renting it out
- any rights from any guarantees, insurance or compensation
- any share or membership rights in a residents' association or management company
- any other benefit, right, remedy or option of any kind regarding your property.

When you sign the mortgage deed, you assign your property rights to us. This means you transfer them to us. If you can't assign them to us, you provide them as part of the security you give us for your mortgage. When you repay all the money you owe us that is secured by the mortgage deed, we'll transfer these property rights back to you or release them from the security. If you have other mortgage loans, we can keep our security until you repay the amount you owe under the agreement and any other mortgage loans.

3. Borrowing with someone else

When you borrow with other people, the agreement applies to all of you together and each of you separately.

This means you're each responsible for your entire mortgage loan as individuals, and you're also responsible as a pair or a group. You must continue to do what the agreement asks you to do, even if the relationship between you ends.

We'll normally give notice to the first person named in our records. We won't always give notice to all of you unless there is a legal or regulatory requirement for us to do so.

If you want to make any changes to your mortgage loan, we'll normally need the agreement of all the borrowers.

If the relationship between the joint borrowers breaks down, we may not be able to release one or more of the joint borrowers from the agreement. This is because we have to check that the remaining borrower(s) can afford to repay the mortgage.

If a joint borrower dies, the remaining borrower(s) will still be liable in full for your mortgage. This is regardless of how the title to your property was held between you. You will need to let us know when a borrower dies. Please use our contact details on page 2 "How to contact us".

4. What you have to pay

In these mortgage conditions we refer to the money you owe us.

What does “the money you owe us” mean?

The money you owe us means all the money you owe us under the agreement. It includes:

- any unpaid fees, charges and costs
- any unpaid interest
- any arrears. We explain what arrears are in the ‘Missed payments and arrears’ section on page 9.

You must pay the money you owe us by the end of your mortgage term. You must also pay interest at the rate(s) set out in your mortgage offer until the money you owe us has been fully repaid. This continues to apply even if we have released our security over your property. It continues to apply if we have incorrectly given you a receipt when we release the security saying that the amount you owe us has been repaid. You may be able to claim against us if we have given you incorrect information.

What is the mortgage term?

The mortgage term is the length of time you can use to repay your mortgage loan. It’s explained in your mortgage offer.

If your mortgage is made up of different parts, each part may have a different mortgage term. However, no part of your mortgage can have a longer term than the primary account.

During the mortgage term, you must pay your monthly payments by Direct Debit on the payment date every month. If we change the payment date or you ask us to change it, we’ll let you know when the new payment date will start. We’ll also tell you about any change this will make to the amount of your monthly payments. The monthly payments after a change may be different to your usual monthly payment. This will depend on when in the month the new payment date is. We explain this in section 5 “When we charge interest and how we calculate it”.

What is the payment date?

The payment date is the date each month when your monthly payments are due. It’s set out in your mortgage offer. It’s important to make sure you have enough money in your bank account on this date to cover the monthly payment. The payment may not leave your account immediately on the payment date, so please make sure you have enough money in your account until we have taken the payment. When your mortgage starts, we’ll tell you the first payment date.

If the payment date isn’t a business day, payment is due on the next business day. A business day is every day except a Saturday, Sunday or public holiday in England.

If you want to change your payment date, please use our contact details on page 2 “How to contact us”.

The parts of your mortgage loan

Your mortgage loan may be made up of more than one part, for example, if you borrow an initial amount from us to buy your property and then borrow more money from us later. If this happens, the extra amount you borrow will be a separate part of your mortgage to the primary account. These conditions apply to all parts of your mortgage loan. We usually collect the monthly payments for all parts of your mortgage loan as one combined payment.

Types of repayment

Your mortgage offer explains whether your mortgage is a **repayment** mortgage or an **interest-only** mortgage.

What is a repayment mortgage?

If you have a repayment mortgage (sometimes called a capital-and-interest mortgage), we calculate the monthly payments to repay the money you owe us by the end of the mortgage term if you make all payments fully and on time. This means that each monthly payment pays some of the interest and some of the mortgage loan.

What is an interest-only mortgage?

If you have an interest-only mortgage, the monthly payments only pay off the interest we charge. This includes interest on arrears.

With an interest-only mortgage, you will still owe your mortgage loan at the end of the mortgage term. You must make arrangements to pay off the money you owe us by the end of the mortgage term. These arrangements are sometimes called a repayment strategy. If you don't pay off the money you owe us at the end of the mortgage term, your property may have to be sold to repay the money you owe us.

If you have a part repayment and part interest-only mortgage, your monthly payment will cover both. If you have an interest-only mortgage or any part of your mortgage is interest-only and we ask, you must show us your arrangements to pay off the money you owe us at the end of the mortgage term. It's important that you check your arrangements regularly. This is to make sure you will be able to pay the money you owe us at the end of the mortgage term.

You can repay your mortgage loan earlier. See section 8 "Repaying your mortgage loan early".

Monthly payment

What is the monthly payment?

The monthly payment is the amount you must pay each month on the payment date. It's explained in your mortgage offer. It can change and we explain why below.

The monthly payment will always change if there is a change in:

- the interest rate
- the payment date
- the money you owe us, for example, if you borrow more or repay some of the mortgage loan
- how you pay, for example, if you change from paying by Direct Debit
- the repayment type, for example, your mortgage loan changes from interest-only to repayment
- the mortgage term.

The change in the monthly payment will take effect from the first day of the month after the change.

We may agree with you to increase the monthly payment to cover arrears or unpaid interest and fees, costs and charges but we won't automatically do this.

If we don't agree to increase the monthly payment to cover these, there will be an amount left to pay at the end of your mortgage term.

We can also change the monthly payment amount we collect if we have agreed with you to make an arrangement. This includes letting you make lower monthly payments, including pausing the payment of interest in full on your monthly payment. If this happens, we'll still apply interest. We can change the monthly payment if your arrangement comes to an end or you stop making payments under the arrangement. We'll let you know if this happens.

If the monthly payment changes, we'll tell you in advance how much your new payment will be and when the new monthly payment will start.

If the monthly payment changes because one of the events listed above happened in the previous month, we can reduce or increase the first new monthly payment. This is to take account of interest you will have overpaid or underpaid because of the old monthly payment.

Missed payments and arrears

If you fall behind with a monthly payment or part of a monthly payment, your mortgage will be in arrears. Arrears also includes any unpaid interest and fees, costs and charges. If you have arrears, you will pay extra interest and interest on the interest for those arrears. Arrears should be paid to us immediately. We can agree a different arrangement with you. If we cannot agree an arrangement and we start court proceedings against you, the court may give you more time to pay. If you have a payment shortfall or arrears, you may also incur extra charges.

Arrears and interest on arrears aren't automatically covered in your monthly payments. You must make separate arrangements to pay these amounts.

We may agree with you to increase your monthly payments to cover arrears and interest on arrears. This won't happen automatically.

If you think you won't be able to make a monthly payment or you fall into arrears, it's important to contact us to see how we can help. Please use our contact details on page 2 "How to contact us".

If you have arrears and a payment you make isn't enough to cover the arrears and your monthly payment, any payment you make will reduce arrears first. If this happens, there won't be enough to fully pay the amount of your monthly payment due that month. To reduce your arrears, you will need to make a payment in addition to your monthly payment.

Example

If you have arrears of £500 and your monthly payment due in a month is £1,000, you will need to pay £1,500. If you make a payment of only £1,000, you will remain in arrears and will continue to owe £500 arrears.

5. When we charge interest and how we calculate it

We charge interest at the interest rate until you have repaid the money you owe us. If your mortgage has more than one part, each part may have a different interest rate. The interest rate is the rate shown in your latest mortgage offer.

If you owe money at the end of the mortgage term, we'll continue to charge interest. The rate that then applies is called the term-expired rate, which is explained in your mortgage offer. We'll continue to

charge interest at the interest rate even if a court makes an order for you to pay some or all the money you owe us.

When we start charging interest on different amounts

Amount	When we start charging interest
The money we lend to you including any additional money we lend to you	From the day we release the money to you or your conveyancer.
Fees, charges and costs	On the date we add it to your mortgage loan if you have not already paid it. If your mortgage has more than one part and we add the amount to your mortgage loan, we'll normally add interest to the primary account unless the amount is specifically for a different part of your mortgage, for example: <ul style="list-style-type: none"> • if the amount relates to our security over your property, we'll add it to the primary account • if a product fee relates only to your extra borrowing, we'll add it to the part that relates to your extra borrowing.
Interest including interest on any arrears and interest on interest we've already charged you	On the date we add interest to your mortgage loan.
Amounts you haven't paid, when they're due and when we pay them for you and add them to your mortgage loan, for example, ground rent or service charge	From the day we pay the amounts for you.

How we work out interest

We calculate interest each day. When calculating and charging interest, we don't include 29 February in a leap year.

We calculate interest each month on the money you owe us on the last day of the previous month. We add the interest to your mortgage account on the first day of the following month, for example, on 1 January, we add an interest amount to your mortgage account. We calculate this on the money

you owe us at the interest rate that applies to your mortgage loan over 31 days, which is the number of days in January. We then calculate interest on this interest to achieve a daily interest charge. Depending on when you make your monthly payment during the month, we'll make an interest adjustment to reflect when you make monthly payments in the month and apply an interest credit to your mortgage account.

This doesn't apply at the start of your mortgage. For the first month, we'll work out interest each

day from the day we release the mortgage loan to you to the last day of that month. At the time, we'll explain to you how you can pay this interest.

If any of the money you owe us or the interest rate changes during a month, we'll work out interest in the way we explain above. In our calculations for the rest of the month from the date of the change, we'll use the new amount or new interest rate.

If you ask us to change the payment date to a date later in the month, you may pay more interest. This is because you're paying your monthly payment later in the month, so interest will apply to this amount for a longer period. When you ask us to make the change, we'll explain what it means for you.

Any payment you make that reduces the money you owe us will also reduce the interest you pay from the day we receive it.

Types of interest rate you may have

Your mortgage offer explains what type of interest rate applies to your mortgage loan. If your mortgage loan is made up of more than one part, different types of interest rate may apply to the different parts.

We explain the different types of rate below.

Bank of England Base Rate is sometimes called Bank Base Rate, Official Bank Rate or Bank Rate. It's set by the Bank of England.

Fixed rate	This is where the interest rate you pay doesn't go up or down, it stays the same. A fixed interest rate applies for a set period of time. Your mortgage offer explains how long the fixed rate applies and the type of rate applying at the end of the period. We'll remind you when your fixed rate is due to end.
Tracker rate	A tracker rate means that the interest rate you pay follows (or tracks) an externally set rate, such as the Bank of England Base Rate. If the externally set rate goes up or down, your interest rate will go up or down by the same amount but the rate you pay will never go below 0%. This means your monthly payments could change over time. Your mortgage offer explains the rate, how it's tracked, and how long your interest rate will track it. Your interest rate will change after a change to the externally set rate that it's tracking. Your mortgage offer will tell you how long after the change in the tracker rate we'll change your interest rate. We'll remind you when your tracker rate is due to end.
Variable rate we control	Variable rates we control include the Residential Mortgage Variable Rate and Buy to Let Mortgage Variable Rate. Your mortgage offer explains which rate applies to your mortgage. A variable rate we control is a rate that we set and can decide when it goes up or down. It's not linked to the Bank of England Base Rate. We can reduce the rate for any reason. We can only increase the rate for certain reasons, which we show in section 6 "Changes to your interest rate". If the rate changes, we'll tell you about it at the same time as we tell you about the change to your monthly payment. You can find more details of the variable interest rates we control on our website by searching on skipton.co.uk for 'variable mortgage rates'.
Term-expired rate	If you don't repay all the money you owe us at the end of the mortgage term, we'll charge you interest at our term-expired rate. We explain this in your mortgage offer.

A floor applies to all variable rate products including trackers. This is a rate below which your interest rate will not fall. If a floor is not shown for a particular product, the floor is 0%. This means the interest rate you pay will never be less than 0%.

Changes in the way you use or occupy your property

We can change a fixed rate or any other rate we're not free to vary if there is a change in how you use or occupy your property that increases our risk, such as the risk of damage to your property or of you not making your monthly mortgage payments fully and on time, for example, this could happen if you rent out your property.

Changing how we calculate interest

Unless your mortgage offer says something different, we may change the way we calculate, charge and add interest to your mortgage account for one or both of the reasons listed below. We'll tell you before we make a change.

Changes in the law	There may be changes in the law or codes of practice, or there may be a decision by a court or ombudsman that we need to comply with.
Changes in regulation	There may be changes in regulations or industry guidance or we may have to do things to make sure we continue meeting regulations and industry guidance.

6. Changes to your interest rate

We can only increase a variable rate that we control for the following reasons. When we make a change to a variable rate for any of these reasons, we'll act proportionately:

Reason for change	Details of the reason for change
Changes in externally set interest rates	There may be changes in the Bank of England Base Rate or other external benchmark rates or indices. This does not mean your rate will always change in line with them.
Changes in our costs of raising the money we lend	There may be changes to our costs in raising the money we lend our mortgage borrowers. This is because we use the money that people save with us – along with money we raise from other financial bodies, the financial markets and investors – to lend to our mortgage borrowers. We have to balance the interest rates we charge on our mortgages with the rates we pay our savers and the rates we pay to borrow or raise other funds.
Changes in our costs of managing mortgages	There may be changes in the costs we reasonably incur in managing the mortgage side of our business, including providing and running mortgage accounts.
Changes in our running costs	There may be changes in our costs of running our business that are beyond our reasonable control.
Changes in the law	Laws, including tax laws, may change.
Changes to and meeting regulatory requirements	To make sure our business is run in a way that does what our regulators ask. This might be where there are changes in these requirements or to make sure we continue to meet existing requirements.
Changes in industry guidance and codes of practice	There may be a change in industry guidance or codes of practice we comply with.
Decision by a court or regulator	We may need to respond to a decision by a court, a regulator or the Financial Ombudsman Service.
Changes in technology	There may be changes in technology or systems that cause our costs to change.
Maintaining our financial strength	We may need to do things to maintain our financial strength, in the interest of all our members and the business as a whole. We'll only use this reason in agreement with our regulator.
Correcting mistakes	We may need to correct mistakes if it's reasonable to do so.

Telling you about changes

If we change an interest rate, we'll tell you in advance about how this will affect your monthly payments.

Changes for any valid reason

We may also increase a variable rate that we control for any other valid reason which we have not yet been able to anticipate, and which affects our mortgage business or the business as a whole. If we do so:

- you may, within three months of receiving notice of the change, fully repay your mortgage debt without having to pay an early repayment charge, provided you have given us written notice that you intend to do so within one month of receiving our notice, and
- we'll tell you this and that we're increasing the interest rate in line with this condition when we give you notice.

Reducing an interest rate

We can reduce your interest rate at any time and tell you we have made the change.

Replacing a rate if it no longer exists

Your interest rate may be linked to or track an externally set rate, such as the Bank of England Base Rate. Your mortgage offer will tell you if this is so. If the externally set rate no longer exists or is no longer available, we can choose another externally set rate in its place. We'll act reasonably when we choose the replacement rate. It won't be a rate set by us. We'll tell you about it before we make the change.

7. Fees, charges and costs you may have to pay, and when we can change them

As well as paying us interest on your mortgage loan, you may need to pay us fees, charges and costs.

Fees

Your latest mortgage offer shows any fees you need to pay, for example, there could be a product fee. The offer will say whether you have paid these fees separately or if you have asked us to add them to your mortgage loan. We won't change these fees, but new fees may apply if you ask us to make an offer on a different mortgage product.

If you have chosen to add fees to your mortgage loan, we'll charge interest on them from the date we release the money to you or your conveyancer.

Charges

Our Tariff of Mortgage Charges shows our standard charges for services we provide or work you ask us to do regarding your mortgage loan.

You can find a copy of the latest tariff on our website or you can ask us for a copy at any time.

Please use our contact details on page 2 "How to contact us".

If we add standard charges to your mortgage loan, we'll charge interest on a daily basis from the date we add them. To avoid paying extra interest, you should pay the charges when we ask you to. You can contact us to make a payment, please use our contact details on page 2 "How to contact us".

If we change our Tariff of Mortgage Charges, we'll make a copy available to you with your annual mortgage statement. We can reduce any of our standard charges or remove them.

We can also increase our standard charges or introduce new ones. We can only do this for the following reasons:

Reason for change	Details of the reason for change
To reflect our costs	We can increase charges proportionately to reflect our internal costs or what we pay other people to provide a service or do work.
Changes in the law	Laws, including tax laws, may change.
Changes to and meeting regulatory requirements	To make sure that our business is run in a way that does what our regulators ask. This might be where there are changes in these requirements or to make sure we continue to meet existing requirements.
Changes in industry guidance and codes of practice	There may be a change in industry guidance or codes of practice we comply with.
Decision by a court or regulator	We may need to respond to a decision by a court, a regulator or the Financial Ombudsman Service.
Changes in technology	There may be changes in technology or systems that cause our costs to change.

If we make changes to our standard charges, we'll make sure the changes align with the reasons for making the change.

We'll introduce a new charge only if it isn't possible for us to provide the service or do the work without charge.

We'll show any new or increased charges in our Tariff of Mortgage Charges. We'll tell you about any change before making it.

Costs

We may ask you to pay the actual costs we incur for doing work regarding your mortgage loan.

These costs may be:

- our internal costs for dealing with a matter within Skipton Building Society that is not covered by our standard charges in our Tariff of Mortgage Charges, for example, if we have to spend time investigating and responding to a claim that has no merit
- costs we have to pay others, such as solicitors' fees, insurance premiums, or fees we incur to protect our security for your mortgage loan including any money we have to pay others on your behalf because you have not paid them. Examples of amounts we pay on your behalf because you have not paid them include, if your property is leasehold, ground rent and service charges.

These costs aren't covered by the standard charges in our Tariff of Mortgage Charges. We'll make sure we act reasonably when incurring any costs we charge you.

We'll tell you if you need to pay any costs. We'll add them to your mortgage account and charge interest on a daily basis from the date we add them. To avoid paying extra interest, you should pay the costs. Please use our contact details on page 2 "How to contact us".

8. Repaying your mortgage loan early

Early repayment is when you choose to pay back some or all of your mortgage loan before the end of your mortgage term.

This could happen if you:

- repay all the money you owe us before the end of the mortgage term, for example, if you sell your house or repay your mortgage loan and take a mortgage loan with another lender
- repay early some of the money you owe us, for example, you make an overpayment. This could happen if you regularly pay more than your monthly mortgage payment, or you make a one-off payment of a lump sum.

Your mortgage offer explains more about overpayments. It also tells you whether an early repayment charge applies and how it's calculated. If you repay all the money you owe us before the end of the mortgage term, you may also have to pay other charges that are set out in our Tariff of Mortgage Charges.

When you make an overpayment, this reduces the amount of money you owe us. The interest we charge on your mortgage will take this into account from the overpayment date. Our Tariff of Mortgage Charges explains when an overpayment will change your monthly payment.

If you want to repay all of your mortgage loan before the end of the mortgage term, you need to tell us so that we can send you a redemption statement.

9. Insuring your property

Your property must be covered by buildings insurance all the time you have your mortgage loan.

Your property must be insured for its full rebuilding cost. This means that if something happens to your property, the money from a claim will pay for it to be rebuilt. The full rebuilding cost must include architects' and other professional fees, demolition, site clearance and the costs of complying with any legal and regulatory requirements.

The buildings insurance must also allow for inflation.

You must not do anything that means the insurer could refuse to pay a buildings insurance claim.

If we ask to see a copy of the insurance policy or proof that you're paying the premiums, you must let us have this.

If your property is let, you must tell the insurer it's let.

If your property is leasehold and the landlord is responsible for insuring it, you must make sure they are doing so. You must let us know straight away if the landlord doesn't insure your property or is insuring it for less than its full rebuilding cost.

If your property isn't insured or we reasonably believe you have not got adequate buildings insurance, we may arrange insurance. If we insure

your property, we'll add the costs to the mortgage loan and charge interest on it. We'll keep any commission payment we receive for arranging the insurance.

If a claim is made on the buildings insurance, any money received from the insurer must be used to repair or rebuild your property unless we tell you it must be used to repay the money you owe us. We'll only ask you to do this if we reasonably think that using the money to repair or rebuild your property won't put it in good enough condition for its value to cover the money you owe us.

You must hold any money paid to you by the insurer on trust for us. This means you hold the money on our behalf and pay it to us straightaway if we ask you to. We'll then use the money to repair or rebuild your property or use it to repay the money you owe us. If there's any money left over, we'll pay it to you or to any other person who has a right to it.

10. Looking after your property

You must take good care of your property.

Keeping your property in good repair

You must carry out and complete any building and repair work to keep it in good repair. Any building work must be properly carried out and comply with all necessary consents, laws and regulations.

Complying with restrictions or obligations affecting your property

You must comply with any restrictions or obligations affecting your property. You may find these in the title to your property or they may be imposed by law or local policy. Examples of restrictions or obligations could be:

- payment of rates, taxes and charges payable by the owner or occupier of your property
- conditions attached to planning permission
- restrictions if your property is a listed building.

If your property is leasehold, you must keep to the terms of the lease. This includes paying money due under the lease such as ground rent or service charges. You must not do anything that may allow the landlord to end the lease.

How you use your property

Unless you have a buy-to-let mortgage, you must live in your property as your own main home. You must not let it out or change its use unless we agree.

If you're the landlord of your property, your extra obligations are explained in section 12 "What you have to do if you have a buy-to-let mortgage".

If you ask us to agree to you letting your property, similar conditions will apply and we'll let you know what they are at the time.

You must not use or allow anyone else to use your property to run a business. This doesn't stop you using part of your property as a home office if your job involves working from home.

You must not use or allow anyone else to use your property for unlawful or criminal activity.

You must not create any circumstances that could lead to the issue of an environmental notice. These notices are issued under environmental legislation regarding contamination or pollution relating to your property or a neighbouring property.

Giving us access to your property

You must allow us to enter your property to check and survey it. If reasonably necessary, this can also include taking samples or making trial pits or boreholes. We'll let you know beforehand if we're going to check your property, unless it's an emergency.

If you don't carry out your obligations regarding your property, we can enter it and carry them out for you. If we do, our costs will be payable by you and we may add them to the money you owe us. These include the costs of any third parties we use.

Giving us information and documents

You must tell us if you're sent a notice that relates to your property and let us have a copy within seven days.

You must comply with any valid notice you receive or, if we ask, make objections or representations about the notice or appeal it. If you're not sure if any notice is valid, you should seek your own legal advice. You will be responsible for the costs of that advice.

If your property is leasehold, you must tell us straight away if you're told you have broken the lease terms. If you don't take any action needed to make things right, we can do this for you. If we do, we'll add our costs and charges to the money you owe us.

We can ask you for information or documents about your property, for example, details of who is living in your property or what it's being used for. We can ask for documents regarding guarantees on your property such as damp-proofing guarantees. If we ask for this information, you must give it to us.

11. When you need to get our permission

You must get our permission if you want to:

- let your property. You won't need our permission if any new letting or change is covered by any permission we have already given you, or if the tenant has a right to a new or extended lease.
- give up possession of your property or give someone a right to occupy all or part of it, for example, allowing a paying lodger to live in your property including under the 'Rent a Room' scheme.
- change how your property is used or apply for planning consent to change how it's used.
- make any changes to your property's structure or add any buildings or constructions to it.
- transfer part of the ownership of your property, such as by selling it or giving it away; for example, if you sell or transfer part of the garden or land around it.
- sell your property for less than the amount of money you owe us.
- if your property is leasehold, surrender (give up), terminate or agree to change your property lease
- give someone else security over your property or give them rights in your property that affect our interest. This includes applying for any improvement or similar grants on your property that would result in a legal charge being created over it; but you don't need our permission for a second mortgage or charge.
- do something that may reduce the property's value.
- agree to any obligations being imposed on your property, such as granting a right of way or agreeing to new pipes or services that run across your land.

You can ask us for permission. Please use our contact details on page 2 "How to contact us". We'll give you our permission unless it's reasonable for us not to.

If we give you our permission, we may add conditions that you must keep to. We'll act reasonably in adding any conditions.

If we incur any costs or charges for considering your request, you must pay these when we ask you to. If not, we'll add them to your mortgage loan and charge you interest on them.

A new or increased interest in your property

If you get a new or increased interest in your property, you must tell us as soon as possible, for example if you extend the lease of your property or buy the freehold. If we ask you to, you must give us security over the new or increased interest. We must approve the form of security. You're responsible for paying any relevant costs or charges. We explain 'security' in section 2 "What is security?".

12. What you have to do if you have a buy-to-let mortgage

Your mortgage offer tells you if you have a buy-to-let mortgage. This kind of mortgage means you have some extra obligations. Your offer may also contain more requirements about letting your property. These apply as well as those we show in the Property Letting Requirements we gave you with your mortgage offer.

If you don't have a buy-to-let mortgage but we have given you permission to let your property (see section 11 "When you need to get our permission") the extra obligations we list in our Consent to Let form apply to you.

You must keep up your monthly mortgage payments on the loan whether or not your property is let and whether or not you receive payment from the tenant.

You must keep to the requirements we show in section 10 "Looking after your property" and ensure there is a buildings insurance policy in place at all times. You must tell your insurer that your property is let.

If your property is leasehold, you must get your landlord's permission before you enter into a tenancy agreement for your property. You must also comply with any requirements in your lease or any other requirements your landlord has set as a condition of giving permission.

You must comply with all legal obligations regarding the letting of your property. You must obtain any licences, authorisations and approvals you need.

13. Breaking the agreement with us

If you break the agreement and it's so significant that we have to take steps to end your mortgage, you're said to be 'in default'. If this happens, we can notify you that the money you owe us is immediately repayable. We may be able to agree something different with you.

You will be in default if any of the following things happen:

You pay late

You're in default if:

- your arrears are equal to two monthly payments or more
- you owe us any other amount equivalent to two monthly payments or more
- you don't pay the money you owe us by the end of the mortgage term.

Your interest-only mortgage isn't repaid by the end of the mortgage term

You're in default if you have an interest-only mortgage and you don't repay the money you owe us by the end of the mortgage term.

You break any terms of the agreement that are not about paying us money

You're in default if you break any of the terms of the agreement that don't require you to pay money. You will only be in default if the breach is serious and you don't put it right within 28 days.

A bankruptcy order is made against you

You're in default if a court makes a bankruptcy order against you. This means you're insolvent, and the order allows your property to be sold. The proceeds are paid to the people and organisations you owe money to.

You apply for an interim order

You're in default if you apply for an interim order. This is a court order that gives you temporary protection from claims by people or organisations you owe money to. It gives you time to put together an offer so that you can make a formal arrangement to repay. The arrangement is supervised by an insolvency practitioner.

You enter into a voluntary arrangement or a deed of arrangement

You're in default if you enter into a voluntary arrangement or a deed of arrangement. These are specific types of formal arrangement that are supervised by an insolvency practitioner. Under these arrangements, the people or organisations you owe money to agree to accept only part of the money or late payment.

A receiver is appointed by another lender

You're in default if a receiver is appointed by another lender that has security over your property. A receiver is someone who can be appointed to manage your property and to sell or rent it out. This includes receiving rent and other income. The lender appoints the receiver, and they act for you, not the lender. You will be responsible for their costs as well as for what they do. Their costs include both the amount they're paid and their costs. The amount they're paid must be reasonable.

You're involved in fraud or other serious criminal activity

You're in default if we reasonably believe you're involved in fraud or other serious criminal activity.

Cross-default

This only applies in certain cases.

If your property isn't your private residence, you're in default if you don't keep to any of your obligations under any other mortgage agreement you have with us and:

- we become entitled to use rights under that mortgage agreement that are the same or broadly the same as our rights under this section 13 "Breaking the agreement with us"
- the agreement is also security for money you owe us under a mortgage agreement with us on another property.

Additional circumstances

Your mortgage is also repayable in the following circumstances. These are technically a default but we recognise they are usually outside your control.

- A compulsory purchase order is made. You're in default if an order for compulsory purchase of your property, or any part of it, is made and confirmed. A compulsory purchase order allows a public authority to acquire land owned by you, such as your property, without your consent. A public authority can include a company with public duties, such as an electricity or water company. These orders may be used for things like major building projects and improving or installing services.
- You die. You're in default if you die. If you're borrowing with someone else, you're in default when the last of you dies. The agreement with you will end, but the money you owe us remains due. We'll deal with your personal representatives about how the money you owe us is to be repaid.

14. What happens if you break the agreement with us

If you're in default and all the money you owe us becomes payable immediately, we can take steps to:

- repossess your property – this means we can take control of your property from you and, if you're living there, you will have to leave
- sell your property – we can do this even if we have not taken possession of your property. We'll use the money from the sale to repay or put towards the money you owe us
- appoint a receiver – you can find out more about receivers in section 15 "Receivers"
- reduce the risk of financial crime by delaying or refusing to either process a payment or do something you ask us to do.

The law sets out restrictions on when we can use our rights to sell your property. These restrictions are set out in the Property Acts. The law also allows us not to apply these restrictions. Our right to sell your property is free from any of the restrictions in the Property Acts.

For the purposes of the Property Acts, money you owe us is treated as due one month after you have signed the mortgage deed. This means that even if you're in default, we can't do any of the actions explained above until at least 28 days after you have signed the deed.

What are the Property Acts?

When we refer to the Property Acts, we mean the Law of Property Act 1925 and any new laws or regulations that amend or replace them. The restrictions in the Property Acts say we can't use our power to sell your property until we have met certain conditions. If this applied, it would mean, for example, that if we issued a notice asking you to make payment, we'd have to give you three months to make payment before using our right to sell.

We can use the other enforcement rights and powers given to lenders under the Property Acts and any other laws and regulations. These rights and powers include the ability to take a surrender of a lease and to insure your property. This is as well as our ability to take possession of your property, let it or sell it.

If we take possession of your property, we may remove, store, sell or dispose of, or rehome goods or animals you leave at your property. We aren't responsible for any loss or damage caused by us doing this unless we don't take reasonable care. You're responsible for our costs of doing this.

We can also do any of the following things or employ someone to do them for us. Please note, however, that we won't automatically do these things.

Manage lettings

We can give leases over your property and collect any rent being paid by any tenant of your property. We can use the money towards repaying the money you owe us.

If your property is let and you're the landlord, we can end, extend, renew or accept a surrender of any lease. We can also agree to changes to any leases.

Change the terms of the lease

If your property is leasehold, we can agree with the landlord to change the lease terms.

Look after your property

We can carry out any repairs or building work needed to put your property into good condition without becoming liable as mortgagee in possession. We can also apply for planning permission and any other consents. We need not keep your property in repair unless we have taken possession of it. If we have taken possession of it, we need not make improvements to it. If your property is not in good repair when we take possession of it, we may market it for sale without taking steps to place it in good repair, but we must take reasonable steps to ensure it's reasonably secure from intruders.

Grant rights over land you own

If you own other land, we may give others the right to access and use it. We'll only do this if it's reasonable and necessary to protect or increase your property's value or if you agree it with us.

Shared-ownership property

If you hold your property on a shared-ownership basis, we can buy further shares in your property or in a shared-ownership lease of your property. We can also buy the freehold or accept a further lease. We can require any of these further shares or interests to be transferred to a buyer of your property.

How we apply any money received when your property is sold

If your property or any property rights are sold, we'll apply the money we receive in the following order:

- First, to pay the money you owe us. This includes any costs associated with the sale of your property.
- Second, to pay any other money your mortgage deed gives us security for.
- Third, to pay anyone we know has a right to the money, such as another lender with a mortgage over your property.

Finally, we'll pay you any money left over. If we can't find you, or there is a dispute between joint borrowers about who is entitled to the money, we'll use a process where we pay the leftover money to the court. It will be held on your behalf until it can be returned to you.

If we sell your property for less than the money you owe us, you will still owe us the difference. We'll continue to charge interest on it until you pay us. This also applies if we allow you to sell your property for less than the money you owe us.

15. Receivers

Who is a receiver?

Receivers are appointed by us and take full responsibility for managing your property. They can sell your property or collect rent on it. They can contact the occupants and deal with wider issues such as repairs, damage and insurance. You're responsible for all the receivers' costs as well as what they charge us for their services. The amount they are paid must be reasonable.

If you break the agreement, we may ask you to pay all the money you owe us immediately. If you don't pay it, we may appoint a receiver.

More than one person can be appointed as a receiver. If we appoint more than one person as a receiver, each of them may use their powers independently.

Receivers may use and pay other people to do necessary work to your property. They can't appoint another receiver.

Receivers can take steps to remove tenants from your property and repossess or sell it on such terms as they think fit. They must sell it for the best price they can reasonably get.

They also have the other enforcement rights we have, along with the benefit of some extra rights that include being able to:

- use all the powers of a receiver appointed under the Property Acts, which include the power to demand and recover all income relating to your property (including any rent) and to insure your property
- make arrangements with former or current tenants or occupiers of your property or enforce their obligations, including collecting unpaid rent
- take action to surrender or terminate any tenancy
- take action to get possession of all or part of your property
- grant new leases
- receive money payable to you regarding your property and any rights or claims you have over it
- receive money from insurance policies, guarantees or other compensation regarding your property, your mortgage or the agreement.

Money collected by the receiver will be used in the following order:

- First, to meet any claims that must be paid in priority to your mortgage.
- Second, to pay their costs regarding their appointment in relation to how they have used their powers as a receiver.
- Third, to pay the amount they are paid for their work (their remuneration).
- Fourth, to reduce or pay off the money you owe us.
- Fifth, to pay off anyone who has a right to money, such as another lender with a mortgage over your property.

Finally, they will pay you any money left over.

If money collected by the receiver is being used to reduce or pay off the money you owe us, the receiver need not pay off the money you owe us in any particular order. We can choose to use any money they receive to pay off interest on your mortgage loan before paying off your mortgage loan itself and any fees, charges and costs.

We may ask the receiver to set aside money from the sale of your property. This is to allow us to use it in the future against a contingent liability secured by your mortgage. A contingent liability is money you might owe us in the future because of a legal obligation you have now. Acting as a guarantor would be an example of this.

A purchaser or other person dealing with any receiver doesn't need to ask whether the receiver's power to act has begun or whether the receiver is using their powers properly.

We can remove a receiver. We'll tell you if we do this.

16. Set-off

If you don't repay money you owe us when you should, we can repay it using money in any of your savings accounts with us. This is called our 'right of set-off'.

We won't do this if the law or other restrictions prevent it.

We won't use the money if we agree with you that you need it to cover important debts or essential living expenses.

We won't use money that you're holding for someone else as trustee.

We won't use money where you have given us evidence you have received it for a specific purpose from a government department, local authority or NHS direct-payment body.

We'll only use money from a joint savings account if all the account holders are also named as borrowers on your mortgage.

We'll give you written notice at least 28 days before we use any money under our right of set-off. Before we use any money under this right, we'll also take into account any information you give us after you have received our notice.

17. Acting on your behalf

When you take out this mortgage you appoint us to be your attorney, which means a person who can legally act on your behalf. We can also delegate this power to someone else.

You also appoint any receiver to be your attorney.

This appointment will continue until the agreement ends. You can't cancel it.

We'll be your attorney until your mortgage has been fully repaid. This includes the money you owe us, and any other amounts secured by your mortgage.

This allows us, or the receiver, to do anything needed to use, protect and enforce our rights under your mortgage in your name and on your behalf.

This means we (or a receiver) can:

- sign documents
 - enter into agreements
 - register documents at the Land Registry
- on your behalf.

If we, or a receiver, do something as your attorney, it's as if you had done the thing yourself.

If you're borrowing with someone else, then when we or a receiver act as attorney we do so for all of you together and each of you separately.

18. Transferring your loan and mortgage

We can transfer, charge or otherwise dispose of to someone else (called a third party) some or all of our rights in the agreement for your mortgage loan and the security you give us for it. This includes any property rights.

If we make this transfer:

- it won't reduce any rights the agreement gives you
- you must do everything you have to do under the agreement for the third party, instead of us
- we'll approve a statement of policy with the third party regarding the way they exercise the rights we transfer to them
- we'll let you know when the transfer happens if the third party's policies on:
 - recovering amounts that you don't pay when they are due for payment, or
 - how interest rates are set,

change in a material way (in our reasonably held view), how the third party can use against you any rights, powers or remedies under this agreement.

You agree we can share information we hold about you and your mortgage loan with the third party.

You agree that the third party may rely on the truth and accuracy of the information in your application for the loan and any supporting documents or information you gave us.

If we transfer all our legal rights in the agreement to a third party, this mortgage will no longer qualify you to be a borrowing member of Skipton Building Society.

19. When we can make changes to the agreement

We can make changes to these conditions by adding, removing or changing any of them. We can make changes if we think the change is not to your disadvantage.

We can also make changes for the following reasons:

- Changes in regulations or industry guidance or to make sure we can continue to meet existing regulations or industry guidance.
- Changes in the law, or a decision by a court or ombudsman, or changes in any code of practice we comply with.

We'll make sure any change is proportionate to the reason for making it. If the change is to your disadvantage, we'll give you at least two months' notice of it.

20. How we can use our rights under the agreement

We may choose not to enforce any part of the agreement, or we may delay enforcing it. This won't mean that we aren't able to enforce the same part later. It won't change our right to enforce the rest of the agreement, for example, if you don't pay us, we have the right to ask the court to allow us to take your property. If we don't ask the court straight away, we can still ask it later.

If we can't enforce any part of the agreement, that doesn't affect our right to enforce the rest of it.

The Contracts (Rights of Third Parties) Act 1999 is a law that allows people who haven't signed up to an agreement to use the rights it gives. We exclude this law from the agreement. This means nobody else can use the rights it gives.

We aren't responsible to you for any direct or indirect loss you suffer (for example, loss of profit) if we cannot provide any service or fulfil any obligation under the agreement for reasons beyond our reasonable control.

You agree to sign any document we may need to safeguard your mortgage or any property rights, to protect our interest in your property or to use our rights under the agreement. We'll prepare the documents and you're responsible for meeting the cost of them. If you fail to sign these documents, we can do this for you.

We can ask you to give us information, including copies of documents, relevant to your mortgage loan or your property or any property rights. If we do, you must let us have the information promptly.

We'll act reasonably in asking for information from you.

21. How we'll communicate with you

If we need to give you notice or tell or ask you something, we'll normally write to you by post, email or secure customer portal. On some occasions we may need to use fax or give it to you personally.

How we'll contact you	Where we'll send it	When we'll assume you have received it
By post	The property	Within two business days after posting it
	Your last-known address	
By email	The email address you have given us	On the day we send the email
By fax	To a fax number of a firm or person you have authorised	On the day it's transmitted
In person	Your physical location	When it's given to you
Using our secure customer portal	To your secure area in our customer portal	On the day we email to let you know we have added the document to our customer portal

It's important that you tell us if you change your postal or email address.

If there is more than one borrower, we may give notice to all of you by giving or sending it to the person named first in our records, unless a law or regulation says we must give each borrower notice.

22. Which law applies

The agreement is governed by the law and regulations of England and Wales. These laws and regulations will also decide any legal questions about our relations with you before the agreement began.



Call us on **0345 850 1711**



Message us on **Webchat**

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