



Number One Police Credit Union Limited

trading as

No. 1 CopperPot Credit Union

MORTGAGE CONDITIONS 2018

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NUMBER ONE POLICE CREDIT UNION LIMITED
trading as No1 CopperPot Credit Union

MORTGAGE CONDITIONS 2018

1 Introduction

These Conditions, when read with your Mortgage Deed and Offer, set out the terms that govern your Mortgage.

2 Interpretation

2.1 In these Conditions:

- (a) references to “you” and “your” are to the Borrower, and references to “we”, “us” and “our” are to Number One Police Credit Union Limited trading as No. 1 CopperPot Credit Union and any body with which we merge, or which takes over our business or the Mortgage or to which our rights are transferred under Condition 15; and
- (b) the following words and phrases have the meanings set out below when they start with a capital letter.

Agreement	an agreement to make a loan, as defined in the Offer.
Borrower	the person(s) named as borrower in the Mortgage Deed (and their legal representatives). If there is more than one of you, “Borrower” means all of you together and each one of you separately.
Conditions	these mortgage conditions. “Condition” means any one of them or the particular one of them, as applicable.
Costs	all costs we reasonably incur, as set out in Condition 10.5.
Early Repayment Charge	any charge payable on early repayment of a Loan (or any part of it), as set out in the Agreement.
Fee	any fee we charge under Condition 10.1.
Interest Rate	the rate or rates of interest payable by you on any Loan (or any part of it) as varied from time to time in accordance with the Agreement.
Loan	each amount of money we lend to you under the Mortgage.
Monthly Payment	the monthly payments you must make in respect of the Loan.

Monthly Payment Date	the date in each month your Monthly Payment is due to be made. (We will notify you of the Monthly Payment Date.)
Mortgage	the terms and conditions on which we agree to make a Loan to you, including the Mortgage Deed, these Conditions and the Agreement. If we have agreed, or agree in the future, to make more than one Loan to you, the Mortgage includes the terms and conditions of each Agreement.
Mortgage Deed	any deed of legal charge that you sign and complete and which says that these Conditions apply to it.
Mortgage Debt	all the money you owe us in respect of Loans and all other money payable by you under the Mortgage.
Offer	the document offering you a Loan including any terms and conditions contained or referred to in it.
Payment Date	the date in each month your Monthly Payment is due to be paid (as agreed with you in the Agreement).
Property	the property referred to in the Mortgage Deed.
Repayment Date	the date referred to as the Repayment Date in the Agreement.
Tariff of Charges	our tariff of charges as published from time to time.
Transfer	a sale, assignment, mortgage, charge or other transfer of our rights under the Mortgage.

- 2.2 In these Conditions, any reference to an Act of Parliament includes any changes made to, or replacement of, it. In addition, references to things in the singular (for example, "payment") include the plural ("payments"), and references to one gender include the others (so, for example, "she" includes "he " and "it"), except if the context indicates otherwise.
- 2.3 If you have more than one Loan, references to the Loan are references to each Loan considered separately and references to Monthly Payments, the Repayment Date and the Monthly Payment Date mean the Monthly Payments, Repayment Date and Monthly Payment Date which apply to the Loan in question.
- 2.4 If there is any inconsistency between these Conditions and the Offer, the terms of the Offer will have precedence.
- 2.5 The headings in these Conditions are included for convenience only, and are not to be taken into account in interpreting them.

3 The security

- 3.1 The Mortgage Deed is security for the Mortgage Debt and will not be released until the Mortgage Debt has been repaid in full.
- 3.2 If there are any other mortgages or charges affecting the Property apart from ours, then, unless we have priority over them or we have agreed in writing to them remaining in place, we may pay them off on your behalf. You must repay to us any amounts we pay when we call on you to make payment. Interest on these amounts will be charged at the Interest Rate from the date we call for payment until you pay us. You should note that, under Condition 7.2, there must not be any other mortgage or charge over the Property without our consent.

4 Repayment

- 4.1 You must repay the Mortgage Debt in respect of each Loan by the Repayment Date relating to that Loan.
- 4.2 You must make Monthly Payments in accordance with the Agreement.

5 Interest

- 5.1 You must pay us interest on the Mortgage Debt at the Interest Rate from the time we send the Loan to you or your solicitor (or to any other person on your behalf).
- 5.2 Interest will continue to be charged at the Interest Rate even if we get a court order against you.
- 5.3 Unless the Agreement provides otherwise, we may vary the Interest Rate we charge you for one or more of the following reasons:
- (a) to respond, proportionately, to changes in the Bank Rate (or base rate) set by the Bank of England, or to changes in mortgage or investment rates generally;
 - (b) to respond, proportionately, to any increases or reductions in the costs we incur in providing the Mortgage (such as our funding or administration costs, or regulatory or compensation scheme levies and charges);
 - (c) to respond, proportionately, to any increase or reduction in our risk if there has been a change in the way the Property is used or occupied;
 - (d) to respond, proportionately, to the requirements or recommendations of any body responsible for regulating our business or the requirements or recommendations of the Financial Services Ombudsman or any other appropriate ombudsman;
 - (e) to respond, proportionately, to any changes, or changes of interpretation, in the relevant laws or codes of practice relating to financial service providers; or
 - (f) to enable us to maintain our financial strength, in a reasonable and prudent manner, for the benefit of all our members.

- 5.4 We will give you personal notice to tell you about a change in the Interest Rate, and to notify you of your revised Monthly Payment. If the change is an increase, the notice will be in reasonable time before the change is to take effect.
- 5.5 In this Condition 5, personal notice means a letter or document which we will send you. If a personal notice does not reach you because of circumstances beyond our reasonable control (such as postal service failure), this will not prevent the change in the Interest Rate from being effective. Please also refer to Condition 18 in this respect.

6 Property rights and powers of attorney

- 6.1 By signing and completing the Mortgage Deed you transfer to us (as part of our security) the benefit of any rights relating to the Property under property law or under any contracts, guarantees or insurance, including rights to the payment of money. You also transfer to us the benefit of any rights to receive compensation for any sort of damage to the Property.
- 6.2 If you receive any money arising from the rights mentioned in Condition 6.1, you must hold it on our behalf.
- 6.3 Our rights under Conditions 6.1 and 6.2 will only last until the Mortgage Debt has been repaid.
- 6.4 By signing and completing the Mortgage Deed, you give us a power of attorney (that is, a power to act on your behalf) to recover any money due in respect of the rights mentioned in Condition 6.1, including taking any necessary legal action.
- 6.5 You also give us a power of attorney:
- (a) to sign any documents and take any action that you have agreed but failed to sign or take under these Conditions; and
 - (b) to transfer any shares you may hold in any residents' association or management company in connection with the Property if we sell the Property under Condition 14.
- 6.6 The powers of attorney in Conditions 6.4 and 6.5 are given to us as security for the Mortgage Debt and cannot be withdrawn by you. They will, however, come to an end when the Mortgage Debt is repaid.
- 6.7 If the Property is held on a lease, and you want to extend the lease or buy the freehold of the Property or the building which includes the Property, then you must tell us. Our security under the Mortgage Deed automatically covers any extended lease or freehold interest from the time of the extension or acquisition. You must sign any additional documentation that we may reasonably require to confirm this.

7 Other obligations in relation to the Property and the Mortgage

- 7.1 Until the Mortgage Debt is repaid you must do all the following:

- (a) comply with all the terms and conditions of the Mortgage (including any terms and conditions set out in the Offer and the Agreement);
- (b) look after the Property and keep it in good condition;
- (c) properly finish any building work on the Property;
- (d) pay all rents, rates and other charges payable in respect of the Property when due;
- (e) comply with all legal restrictions, obligations and conditions affecting the Property;
- (f) if the Property is leasehold, comply with the lease and take all reasonable steps to ensure that the landlord and the other parties to the lease comply with it;
- (g) comply with all planning and environmental laws and the requirements of local and other authorities;
- (h) send us within seven days a copy of any notice received from a local authority, or other third party such as a landlord, that might reasonably be regarded as relevant to our interests as lender; and do anything which we may reasonably request in response to the notice;
- (i) allow our representatives access to the Property to check on its condition and use, so long as we give you reasonable notice and specify a reasonable time;
- (j) allow us to hold any deeds or documents relating to the Property if we so require;
- (k) sign and execute all documents and do all other things that we may reasonably require to ensure that the security granted, or intended to be granted, to us by the Mortgage is in full force and effect.

7.2 Until the Mortgage Debt is repaid you must not do any of the following in relation to the Property unless we have agreed in writing that you can:

- (a) apply for any improvement or other grant;
- (b) change its structure, demolish it (or any part of it) or change its use;
- (c) sell or dispose of it, or part with possession of it;
- (d) create any lease, tenancy or licence, or terminate or change any lease or tenancy (and any statutory right you may otherwise have to do this will not apply);
- (e) create (or allow to exist) any mortgage or charge other than this one;
- (f) create any circumstances (such as causing pollution or keeping any hazardous substances) which could lead to any liability on you or us under any environmental laws.

7.3 We will not unreasonably refuse a request from you to do something under Condition 7.2(a) to (e) (providing it would not adversely affect our security), but we may require:

- (i) a Fee; and/or
- (ii) additional interest

to be paid as a condition of giving our consent. The amount of any Fee may be set out in the Tariff of Charges. If it is not, we will set the Fee or additional interest at a reasonable amount according to the circumstances.

8 Insurance

8.1 The Property must be adequately insured at all times. The insurance must cover loss or damage by fire and such other risks as we may reasonably require. The amount of the cover must be initially at least the amount required in the Offer, but it is your responsibility to ensure that the cover is adequate.

8.2 You must arrange the insurance yourself. If you fail to do so, or if your insurance is not approved by us under Condition 8.3, then we may (but we are not obliged to) arrange the insurance.

8.3 The insurance company and the terms of the policy and the cover must be approved by us. We will not unreasonably refuse our approval, but we may charge you a Fee for checking the policy. The amount of the Fee is set out in our Tariff of Charges and may be changed in accordance with Condition 10.4. You must pay the premiums when due and provide us with evidence that you have paid the premiums, as and when we reasonably request it. However, we are not under any obligation to you to check that your policy is in force.

8.4 If we arrange the insurance, we will use an insurance broker or insurance company of our choice. We will not have to pay on to you any commission we earn for arranging the insurance. You must pay (or reimburse us for the cost of) the premiums.

8.5 We are not under any obligation to you to check the adequacy of the insurance. It is your responsibility to make sure that the insurance is adequate at all times. The amount of the insurance cover must be increased as necessary so as to ensure that this is the case.

8.6 If there is a possible claim on the insurance then you must make a claim. We may take control of the claim and (acting reasonably) agree settlement with the insurance company. The power of attorney you give us in Condition 6.4 covers this.

8.7 You can choose whether any money received by you or us from any insurance in respect of the Property is used in making good the damage or loss that was the reason for the claim or in or towards payment of the Mortgage Debt, unless the Property cannot lawfully be repaired or the Mortgage Debt has become payable under Condition 11. In those cases, the money must be applied in or towards payment of the Mortgage Debt, unless we agree otherwise.

- 8.8 You must not do or allow anything to be done that might make the insurance invalid.
- 8.9 You must not, without our written consent, take out any buildings insurance in respect of the Property in addition to the insurance required by this Condition 8. We will not unreasonably refuse our consent but we may make our consent subject to conditions.
- 8.10 Any money received by you from any insurance relating to the Property must be held on our behalf unless and until it is used as required by Condition 8.7.

9 Our power to remedy

- 9.1 If you do not carry out any of your obligations under the Mortgage, we may (but we do not have to) carry it out. For this purpose we may need (and you must give us) reasonable access to the Property. If we have access this does not necessarily mean we have taken possession of the Property.
- 9.2 If we incur any Costs as a result of our acting under Condition 9.1, you must reimburse us as soon as we ask you to. If you do not, the amount of the Costs will be added to the Mortgage Debt and interest will be charged at the Interest Rate in accordance with Condition 10.7.

10 Fees and Costs

- 10.1 We may charge Fees in relation to the operation of your account and for providing any service in connection with the Mortgage.
- 10.2 Fees specific to your Mortgage are set out in your Offer.
- 10.3 Details of our other standard Fees are set out in our Tariff of Charges. We will send you a copy of our current Tariff of Charges at least once a year, but you can obtain a copy of this by contacting us or looking at our website.
- 10.4 Unless otherwise stated in your Offer, we may change the Fees we charge to respond (proportionately) to:
- (a) changes in the costs we incur;
 - (b) the requirements or recommendations of any body responsible for regulating our business or the requirements or recommendations of the Financial Services Ombudsman or any other appropriate ombudsman; and/or
 - (c) any changes, or changes of interpretation, in the relevant laws or codes of practice relating to financial service providers.
- 10.5 You must also reimburse us for all reasonable expenses that we, or any receiver appointed by us, may incur in connection with the Mortgage. These Costs may arise if:
- (a) you fail to do what you have promised to do under these Conditions;
 - (b) we exercise any of the rights we have under these Conditions or by law;

- (c) we take any action to safeguard our security; or
- (d) under Conditions 8.4, 9.2 or 13.

Costs may include a reasonable amount in respect of our internal administrative expenses. They may also include legal costs of a reasonable amount which we have reasonably incurred. You have the right to ask for an assessment of legal costs.

- 10.6 The amount of some Costs will be set out in our Tariff of Charges. When they are set out in the Tariff of Charges they may be changed for any of the reasons set out in Condition 10.4.
- 10.7 We will notify you of any Fees charged or Costs incurred. Any Fees or Costs not paid will be added to the Mortgage Debt and interest at the Interest Rate will be charged on them.

11 Events on which the Mortgage Debt becomes payable

- 11.1 If any of the events set out in Condition 11.2 happen, we may require you to pay the Mortgage Debt immediately, in which case you must do so.
- 11.2 The events mentioned in Condition 11.1 are:
 - (a) you do not pay when due, and still owe us, an amount equal to two Monthly Payments or more;
 - (b) you break any other material term or condition of the Mortgage and do not put it right within 21 days of our asking you to do so;
 - (c) the Property is destroyed or compulsorily purchased;
 - (d) you or any guarantor of your obligations under the Mortgage become(s) bankrupt or enter(s) into a voluntary arrangement, deed of arrangement or other arrangement with your/their creditors;
 - (e) any guarantee of your obligations under the Mortgage is or becomes unenforceable for any reason (other than action we voluntarily take to release it);
 - (f) you abandon the Property;
 - (g) the Mortgage becomes unenforceable for any reason;
 - (h) you have been guilty of any fraud or have dishonestly provided us with misleading information in relation to the Mortgage;
 - (i) you die or (if there is more than one of you) the last surviving one of you dies;
 - (j) there is a letting of the Property or a change in its use that we have not authorised.

12 Consolidation

We may require you to repay all mortgages you have with us before we release our security under the Mortgage. Section 93 of the Law of Property 1925 (which might otherwise prevent us from insisting on this) will not, therefore, apply.

13 Paying off the Mortgage

13.1 Subject to Conditions 12 and 13.2, you may pay off the Mortgage at any time by repaying the Mortgage Debt together with interest up to the date of repayment and any Fees and Costs and Early Repayment Charges. You must also pay us any Costs that we have to pay any third party (such as the Land Registry) in connection with the redemption.

13.2 If you have another mortgage with us where you are in arrears with your payments, we may require that those arrears are cleared before any repayments under this Mortgage (over and above normal Monthly Payments) are used to reduce the Mortgage Debt. We may use money received from you to give effect to this.

14 Our remedies

14.1 The statutory powers that we have as a mortgage lender under the Law of Property 1925 will come into force the day after the date of the Mortgage Deed. For the purposes of these powers, the Mortgage Debt will be treated as due then. However, we will only exercise our powers to enforce our security under the Mortgage in accordance with Condition 14.2.

14.2 When the Mortgage Debt becomes immediately due and payable under Condition 11 we may exercise the powers given to mortgagees by the Law of Property Act 1925 free from any of the restrictions contained in Sections 100, 103 and 109 of the Law of Property Act 1925 that might otherwise apply. In particular, this means we may:

- (a) take possession of the Property;
- (b) appoint a receiver (who may be a person employed by us) or exercise any power given to a receiver under Condition 14.4 below. A receiver may be one or more persons. Where more than one is appointed, they may be given power to act together or separately. We may remove a receiver and appoint another in their place;
- (c) sell the Property by any method we reasonably consider appropriate, taking into account the nature of the Property and its condition at the time of sale or disposal;
- (d) let the Property, furnished or unfurnished, at such rent and on such terms as we reasonably think fit;
- (e) bring any letting to an end, or agree changes to the terms of any letting; and/or
- (f) repair, alter or improve the Property as we reasonably think fit, either to preserve the Property or protect our security.

- 14.3 No purchaser or other person dealing with us or any receiver need enquire whether the Mortgage Debt has become immediately due and payable or whether any power has become exercisable, or to check on the use made of any money paid to us or to any receiver.
- 14.4 A receiver:
- (a) will be entitled to be paid fees or commission, and will be appointed by us on such other terms as we decide are reasonable in the circumstances;
 - (b) will be your agent (and you will be responsible for the receiver's acts and omissions), as far as the law allows;
 - (c) will be entitled, in addition to the receiver's statutory powers, to collect and receive any rents from the Property, to sell or let the Property and to exercise any other powers which we would be able to exercise;
 - (d) will be entitled to employ and pay agents and workmen to carry out work on the Property on his behalf;
 - (e) will be entitled to pay or use any money owing by or to you in such order of priority as the receiver thinks fit; and
 - (f) will be entitled to do any other things as he may consider to be incidental or conducive to his appointment and which he lawfully can do.
- 14.5 If we sell (or a receiver sells) the Property and the amount we obtain for it (after deducting all our expenses) is insufficient to repay the Mortgage Debt, you agree, independently of any other Conditions, to pay us the shortfall with interest at the Interest Rate calculated in the manner set out in Condition 5.

15 Mistakes

If we release the security given to us under the Mortgage, you will still remain liable for the Mortgage Debt if we find out that we made a mistake in calculating the amount of the Mortgage Debt due to be repaid on release of the security. However, we will not rely on this Condition unless we have told you about the mistake within three months after the date of the release. In addition, we will not rely on this Condition if you have changed your circumstances in reliance on the mistake at a time when you were unaware of it (and could not reasonably be expected to have been aware of it) and it would not be reasonable to pursue you for the shortfall.

16 Personal items, etc.

If we take possession of the Property or appoint a receiver of it, we may remove, store and/or sell any furniture, personal items or animals in it. We will notify you before we do this. You will be responsible for any Costs we incur. We will account to you for any sale proceeds we receive (after deducting our reasonable expenses), but otherwise we will not be responsible for any loss incurred by you, unless caused by our negligence. This power does not give us any interest in, or charge over, furniture, personal items or animals.

17 Transfer of your Mortgage

- 17.1 We may transfer any of our rights under the Mortgage and/or any Loan at any time. By signing the Mortgage Deed, you give your consent to any Transfer. However, we will only transfer our rights if we reasonably think that the policies operated by the transferee in connection with the Mortgage are not less favourable to you, to any material extent, than the policies we were following before the transfer. Any transfer will not affect your rights under the Agreement.
- 17.2 We may provide to any transferee (or potential transferee) information about you, your mortgage account and the Property.
- 17.3 Following a Transfer, the transferee can exercise our rights to the same extent as we could before the Transfer.

18 Notices

- 18.1 Any notice that we send you under the Mortgage will be effective if it is in writing and:
- (a) served personally on you;
 - (b) left at, or sent through the post (in a pre-paid letter) to, the Property or other address that you have notified to us in accordance with the Agreement; or
 - (c) in any other manner specifically agreed between us.
- 18.2 If there is more than one of you, one notice addressed to all of you will count as a notice to all of you except when we have an agreed additional address for one or more of you, in which case we will send an extra copy of the notice to that address.

19 General

- 19.1 If we cannot enforce any term of the Mortgage, this will not stop us from enforcing the others. Each term is separate from the others.
- 19.2 If we decide to relax any of the terms of the Mortgage, or not to enforce them at any particular time, this will not affect any of our powers or rights or stop us from taking any action in the future, unless we specifically agree otherwise.
- 19.3 We may use any credit balance held by us for your account as payment towards any sum due but unpaid.

20 Guarantors

- 20.1 If there is a guarantor for your obligations under the Mortgage, we may disclose information about the Mortgage, and any relevant information about you, to that guarantor.
- 20.2 The obligations of the guarantor will be set out in a separate form of guarantee which he or she will be required to sign. You should note that:

- (a) by giving the guarantee, the guarantor may become liable instead of, or as well as, you for the Mortgage Debt;
- (b) any arrangements that we may make with you will not affect the obligations of the guarantor;
- (c) the guarantor will agree not to make any claim against you which would compete with any claim we may have;
- (d) our rights against a guarantor are independent of, and additional to, any other security we may have for the Mortgage Debt; and
- (e) we may hold any money we receive from a guarantor in a separate interest-bearing account.

21 Changes to these Conditions

We may change the terms and conditions applying to your Mortgage (other than interest rates and fees) if we give you not less than one month's written notice. We will only make such a change to reflect the requirements of any law or regulation, to clarify any existing term or condition or make it fairer, to enable us to enhance the terms of your Mortgage or to correct any errors. We will not make any change that could reasonably be considered to be to your disadvantage, unless required by any law or regulation.

22 Governing law

The Mortgage is governed by English law.

23 Language

All our communications with you in relation to the Mortgage will be in the English language unless we agree with you otherwise.

24 Data Protection

All data collected and retained will be processed and held in accordance with the Data Protection Act 1998 and the General Data Protection Regulations 2018 (GDPR). Information may be disclosed to recognised credit reference agencies, regulators, and auditors, for fraud prevention and debt recovery purposes, if necessary.

**YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP
REPAYMENTS ON YOUR MORTGAGE**