

Important things to know about your buy to let mortgage.

The Mortgage Works Standard
Buy to Let Mortgage Conditions 2024

The
mortgage
works

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1. Your agreement with us

These conditions make up part of our agreement with you and are legally binding on you. They also apply to any guarantor if you have one.

Our agreement with you also includes your mortgage offer and mortgage deed.

Our agreement sets out the rights and responsibilities that protect both you and us. We'll be able to use our rights, even if we choose not to use them right away.

It's important that you read all the parts of the agreement and keep them together in a safe place in case you need to refer to them again in the future.

We refer to our agreement with you as 'your mortgage' throughout the rest of these conditions.



Mortgage offer

This is the written mortgage offer issued by us and includes the parts of our agreement that are specific to you, such as the amount of money we've agreed to lend you and the mortgage product you've chosen. We may give you other offers in the future if we lend you more money or where we make changes to your mortgage. Your mortgage offer may also include special conditions.

If your mortgage offer says something different from another part of your agreement, the offer has priority.



Mortgage deed

The mortgage deed creates the legal charge over your property (known as a standard security in Scotland). The legal charge is our security for the debt. The debt is the total amount owing from time to time under the mortgage offer and these conditions, including any arrears and all interest and any costs, charges and fees.

The legal charge also secures any other money that you owe us on any account now or in the future. This is the case whether the money is owed by you, or you've become responsible for repaying the money because the person who owes the money is unable to repay it. It also includes money you owe us as an individual or as a pair or a group.

This means that if you're in default (see sections 8 and 9), we can sell your property to repay the debt and any other money you owe us that's secured by the charge.

We'll hold the charge until the debt and any other money which the charge secures as described above, has been repaid in full.



Mortgages with limited companies, limited liability partnerships and Scottish partnerships

If you're a limited company, a limited liability partnership or a Scottish partnership there are additional terms which apply. You can find these in section 17.



Properties in Scotland

If your property is in Scotland, there are standard conditions which are part of our agreement with you. You can find these in section 18.



Terms you need to know

Where we refer to 'TMW', 'we', 'us' or 'our' in these conditions, we're referring to The Mortgage Works (UK) plc, or anyone who takes over our business. If we've transferred any of our rights under the mortgage to someone else, 'we' may also refer to the person we've transferred them to.

Where we refer to 'you', 'your' or 'the borrower', we're referring to the person(s) named as the borrower(s) on the mortgage deed. This includes your personal representatives and anyone, other than a guarantor, who takes over your legal rights and duties under the mortgage. If there's more than one of you, 'you' or 'your' means all or any of you. You're each responsible for the entire mortgage individually, and you're also responsible as a pair or a group.

Where we refer to 'guarantor', we're referring to any person who has guaranteed the payment to us of all or part of your obligations under the mortgage. Each guarantor will sign a guarantee and where we refer to 'guarantee', we're referring to the guarantee provided by each guarantor.

Where we refer to 'debt', we're referring to the total amount owing from time to time under the mortgage offer and these conditions, including any arrears and all interest and any costs, charges and fees.

When we refer to a 'month' or 'year', we mean a calendar month or a calendar year.

When we refer to the 'property', we mean the property shown in the mortgage deed.

Where we refer to 'Insolvency Proceedings' in the case of a borrower who is an individual we mean:

- an arrangement, compromise or composition is proposed or has been made with creditors
- a bankruptcy or sequestration order has been presented or made with respect to the borrower
- a judicial factor has been appointed
- a trust deed or similar instrument has been signed, or
- distress, execution or other process is brought against any property or assets.

Where we refer to the 'Nationwide Group' we mean Nationwide Building Society and all of its subsidiaries including The Mortgage Works (UK) plc.

Where we refer to 'the Property Acts' we mean the important legislation which applies to mortgages. This differs in England and Wales and Scotland.

England and Wales	The Law of Property Act 1925
Scotland	The Conveyancing and Feudal Reform (Scotland) Act 1970

Where we refer to the Property Acts or other legislation, in this document, we also mean any changes to them or new legislation that replaces them.

In a number of places in these conditions we refer to mortgages in different parts. For example, this might be where you have different repayment types for different parts or where you have different interest rates or terms which apply to different parts. Where this is the case, we'll record a main account for the whole mortgage and separate sub accounts for the different parts.

2. What you have to pay

A monthly payment is due on the day chosen by you as the day for making the monthly payment or, if you don't choose a day, the 28th of the month. If you choose a day which is later than the 28th, and in any month, there is no day corresponding to your chosen day, the monthly payment for that month is due on the last day of the month.

Monthly payments must be made from a bank or building society in the UK. We will not accept payments from non-UK accounts.

Any part of your monthly payment that you don't pay by the end of the day on which it is due to be paid is known as arrears.

You must pay us all arrears immediately, unless we come to an arrangement with you or there is a court order giving you more time to pay. This will be in addition to your monthly payment.

You must pay us the debt by the end of your mortgage term. You can pay the whole or part of the debt at any time before the end of the term as long as you also pay any related fees and early repayment charges.



Our right to refuse payments

We have the right to refuse payments made to us or to delay processing them. We'll only do this where we're acting reasonably and there are legal, regulatory or security reasons why we need to do so. For example, we may delay or refuse to process a payment if we reasonably believe you're involved in financial crime or other serious criminal activity including modern slavery or other human rights violations. Refused payments will still be treated as arrears and could result in you being in default (see section 8).



Repayment types

Your repayment type is shown in your mortgage offer.

- **If your mortgage offer says "capital repayment"**

We work out your monthly payment so that the debt, not including arrears or interest on arrears, is repaid in equal instalments over your mortgage term.

If you're in arrears, you'll need to make an additional payment equal in amount to those arrears and any interest on them.

When you make voluntary overpayments totalling less than £500, they'll reduce the debt, but we'll add them back on when we work out your monthly payment. This means that as long as you make all of your monthly payments on time, you'll reduce the time it takes to repay the debt.

If you make voluntary overpayments totalling £500 or more, when the total reaches £500, we'll stop adding them back onto the debt when we work out your monthly payment. This means that your monthly payments may reduce, but you'll no longer reduce the time it takes to repay the debt.

- **If your mortgage offer says "interest only"**

We work out your monthly payments to pay only the interest we charge (including interest on any arrears). To keep things simple, we divide the interest that we expect to charge each year into twelve equal payments. Unless you're required to pay it sooner, you'll have to pay the rest of the debt at or by the end of the term.

It's possible that the debt may increase to more than your loan plus any product fees you asked us to add to it. For example, if we add costs or charges, they'll increase the amount of the debt straight away.

You'll need to make an additional payment to cover these amounts as repayment of them won't be covered by your monthly payments. If you don't make an additional payment to cover these amounts, interest will be charged on them for the rest of the term. This will increase the debt you have to repay at the end of the term.

- **If your mortgage is in separate parts**

If your mortgage is in separate parts (if it's partly a capital repayment mortgage and partly an interest only mortgage or if different interest rates or terms apply to different parts of the mortgage), we work out your monthly payment on each part separately in the ways described above. You can then choose to make separate payments for each part or make a single monthly payment where we add these together to make your total monthly payment.

- **When can we change your repayment type?**

Where you have an interest only mortgage or part of your mortgage is interest only, we can change it to a capital repayment mortgage if:

- you're in default (see sections 8 and 9)
- you don't repay the debt at the end of the term, or
- you can't show us that you have a suitable repayment arrangement in place to ensure you're able to repay the debt at the end of the term.

We'll let you know before we do this.



Your payments

We may vary your monthly payments to reflect changes to:

- your interest rate
- the balance we use to work out your monthly payments. The way we calculate this balance is slightly different depending on your repayment type, as described above.
- your repayment type
- your mortgage term
- your payment date.

We'll give you reasonable notice before we make any change to your monthly payments.



Allocation of your monthly payments

If there are any arrears, any payment we receive will first be used to reduce those as described below, depending on how your mortgage has been set up.

After any arrears have been repaid, any payment will be put towards the repayment of sums which do not form part of the arrears.

Paying off arrears where your mortgage isn't in separate parts

Any payment we receive will reduce any arrears. However, if your monthly payment is used to reduce your arrears, there will be less left to pay the amount due in the current month. This means that you'll need to make a payment in addition to your monthly payment to reduce your total arrears.

Paying off arrears where your mortgage is in separate parts

- **If you've chosen to make a single monthly payment**

Any payment we receive will reduce any arrears. Where arrears are owing on more than one part, the payment will be divided between

each part in proportion to the amount of arrears owing on each part. After any arrears have been paid, any remaining amount will be divided between each part in proportion to the amount of the monthly payment due in respect of each part.

- **If you've chosen to make separate monthly payments.**

Any payment we receive electronically will reduce any arrears on the part shown in the instructions for the payment. If you've told us how to apply payments made by any other method, we'll apply them in accordance with those instructions. If you've not told us how to apply them, any payments we receive will be applied in line with our policies in place at the time.

3. Fees, charges and costs you may have to pay



Fees for the mortgage product you've chosen

Your mortgage offer will say if there are any fixed fees for the mortgage product you've chosen (for example, a product fee or an arrangement fee) and, if so, whether they are to be added to the loan or paid separately. We won't change these fees.



Standard fees set out in the tariff

We may ask you to pay our standard fees for services we provide or work we do for your mortgage. Our standard fees are equal to our reasonable estimate of the average costs (including our average internal administrative costs) which we incur in dealing with the matter for which the fee is charged. Our most common standard fees are published in our tariff of mortgage charges, we provide a copy of the tariff with your mortgage offer, and you can find it on our website. We won't ask you to pay a fee that isn't shown in our tariff unless we tell you first and you agree to pay it. You can ask us for a copy of our most recent tariff at any time free of charge.

You should pay any standard fees as soon as we ask you to. Otherwise, you may have to pay interest on them as explained in section 4.

We can reduce or remove any of our standard fees at any time.

We can also increase our standard fees or introduce new standard fees at any time. Where the fees are shown (or will be shown) in our tariff, we'll only do this for the following reasons:

- **Changes in law**

We can increase or introduce standard fees to reflect any changes in law or any code of practice – or to respond to the decisions of any court or ombudsman.

- **Meeting regulatory requirements**

We can increase or introduce standard fees to reflect any change in regulatory requirements or guidance. We can also do this to make sure we can continue to meet existing requirements or guidance. This includes requirements about the reserves we have to hold.

- **Changes in what we do**

We can increase or introduce standard fees to cover the costs of providing a new service or taking on new work. We'll only do this where we have a good reason for providing the service or taking on the work (for example, to respond to a change in technology or banking practice).

- **Changes in the cost of what we do**

We can increase standard fees to reflect increases beyond our reasonable control in the cost of providing the service or doing the work charged for.

We can also introduce standard fees for providing a service for doing work that we haven't previously charged for. We'll only do this where it is unsustainable to provide the service or do the work without charge.

We'll make sure that any new or increased fees shown in our tariff are proportionate to the reason for introducing or changing them. We'll notify you of any changes to these charges before they take effect.



Costs

We may also ask you to pay the actual costs we incur in doing work for your mortgage. These may either be costs we incur or costs we have to pay to others (for example, solicitor's fees).

We'll only pass on our costs where they aren't covered by one of our standard fees shown in our tariff. We can pass on our costs in full so long as we've acted reasonably in incurring them and the amount is reasonable. You should pay any costs as soon as we ask you to, otherwise you may be charged interest on them, as explained in section 4.

Here are some examples of costs which we may pass onto you:

- **Taking legal action**

We'll pass on the reasonable costs of taking legal action in connection with your mortgage such as any costs of taking possession of your property, looking after it and selling it.

This also includes any court proceedings, even if you aren't involved in them.

- **Costs of a receiver**

We may ask you to pay the costs incurred by any receiver managing the property or repossessing and selling it.

- **Putting things right**

If your property is not insured, or you don't pay any maintenance, service charges or rent that you must pay, we may pay them for you. If we do this, we'll pass on the costs to you.

We may also pass on the reasonable costs of putting right any breach of the mortgage by you, and any breach of the restrictions and obligations affecting the property.

If you don't take good care of your property or don't finish work on the property, we can charge you for the reasonable costs of looking after it or finishing the work.

4. When we'll charge interest

We'll charge interest at the rate or rates in your mortgage offer until you've repaid the debt.

The interest charging balance is the part of the debt on which we charge interest. We'll work out the interest we charge each day on the interest charging balance at the end of the day.

We work out the interest charging balance as follows:

- Any money we lend to you, for example, the original loan advance or any further advance, will increase the interest charging balance from the day the money is released to you.
Any fees which are added to or paid out of a loan advance or further advance, will increase the interest charging balance from the day the money is released to you.
- Any fee for a product switch added to the loan balance, will increase the interest charging balance from the day on which the product switch takes effect.
- Any interest which hasn't been paid by the end of the month it accrues, will increase the interest charging balance from the first day of the following month.

- Any costs, charges or fees incurred in any month, will increase the interest charging balance from the first day of the following month. We won't add any costs, charges or fees to the interest charging balance and charge interest on them if you pay them in advance.
- Any payment you make (including a monthly payment or overpayment) will reduce the interest charging balance from the first day of the following month.

We'll continue to charge you interest at your interest rate until the debt is paid in full including:

- after a court makes an order for you to pay the debt
- after a court makes an order for possession of the property and
- after you give us possession of the property.

5. Changes to your interest rate

When we refer to your interest rate in this section, we mean your current interest rate and any rate you're due to pay in the future. Your mortgage offer will tell you which rates you're due to pay and from when and whether we're free to vary them.



Reducing your interest rate

We may reduce an interest rate that we're free to change at any time.



Increasing your interest rate

We can increase an interest rate that we're free to change for the following reasons:

- **Costs of raising the money we lend**

We may increase rates to reflect changes in the costs of raising the money we lend to our borrowers whose rates we're free to vary. These costs may change for a number of reasons, for example, because of increases in the Bank of England Base Rate or other market rates. They may also change due to increases in the costs of us borrowing money from other financial institutions or otherwise raising money from financial markets or investors. This may include increases in the cost of borrowing money from other institutions in the Nationwide Group, where that increase reflects increases in the other institution's cost of raising the money it lends.

- **Changes in the law**

We may increase rates to reflect any changes in law or any code of practice or to respond to the decisions of any court or ombudsman.

- **To meet regulatory requirements**

We may increase rates to reflect any change in regulatory requirements or guidance, or to make sure we can continue to meet existing requirements or guidance. This includes requirements affecting the reserves we have to hold.

- **Changes in running costs**

We may need to increase rates to reflect changes beyond our reasonable control in our running costs.

- **Changes in risk**

We may increase rates to reflect an increase in the risk of our lending to you due to the way in which the property is used or occupied.

We'll make sure that any increase in your interest rate is proportionate to the reason for increasing it.



Increasing a rate that we're not normally free to change

We can increase an interest rate that we're not normally free to change, such as a fixed rate. We'll only do this if there is a change in the way the property is used or occupied which increases the risk of our lending to you. Any increase will be proportionate to the increase in the risk of our lending to you.



Telling you about changes

We'll let you know before we make any change to your interest rate.

6. Your obligations in relation to your property



Looking after your property

You're responsible for taking good care of your property. This means ensuring it is in good repair and complying with any restrictions or obligations affecting your property.

If you know or are told that you're in breach of any of these restrictions or obligations, you must let us know.

In addition, there are certain things you must, or must not, do in relation to your property:

- You must comply with all laws, regulations and notices affecting your property including how it is used. This includes complying with any laws and regulations applicable to you as a landlord of your property and if your property is leasehold, this includes keeping to the terms of your lease and not doing anything which might allow the landlord to end the lease.

- You must not occupy your property yourself.
- You must not lease your property, other than in accordance with section 16.
- If you undertake any building work this must be properly carried out and you must comply with all necessary consents and regulations.



Where our consent is required

There are certain things you must not do without getting our consent in advance as follows:

- Change the structure or use of the property. This includes applying for planning permission to change the structure or use of your property.
- Apply for improvement grants or grants in respect of your property.
- Assign, transfer, mortgage or dispose of your property or agree to do so.
- Leave your property unoccupied for 30 days or more unless you are making reasonable efforts to let the property in accordance with section 16.
- Grant a licence in respect of your property.
- Agree a surrender of any leases or licences of your property or agree any variations or rent reviews in respect of any leases or licences.
- Give any consent to a tenant of the property.
- Where your property is leasehold, agree to any changes to the lease under which your property is held.
- Where you ask us for our consent, we'll deal with your request quickly and we'll act reasonably in considering whether to consent or not.



Property rights

When we refer to 'property rights' in this section, we mean rights you have as the owner of your property. For example, you may have the right to extend your lease, or claim on a guarantee or title insurance. This doesn't include rights under an ordinary buildings insurance policy. You may also have rights as a shareholder or member of a management company, residents' association, or something similar.

If your property is damaged or loses value, you may receive statutory compensation, or money from insurances or guarantees. You must use this

to fix any related problems, or to reduce or pay off the money you owe us. You'll hold any money you receive in trust for us. This means that you'll hold the money on our behalf, and if we ask for it you must pay it to us immediately. We'll use the money to fix the problems or (if it's not practical to fix them) to reduce or pay off the money you owe us.

While the mortgage continues, all property rights are transferred to us as part of our security. They will pass back to you when the mortgage ends.

If you default, as explained in sections 8 and 9, we can transfer any of the property rights to someone else.



New rights you must tell us about

If you gain any new property rights, they'll become part of our security. You must let us know about the new rights within a month.

New property rights may include:

- A new or extended lease on your property.
- An interest in the commonhold or freehold of your property.
- An interest in the freehold of any building which includes your property.
- An interest or right which benefits your property in or over other land or buildings.

If requested, you must give us evidence to show that you own the new interest. If we ask, you must also send us any relevant documentation and give us a charge over the new interest. You'll need our agreement to the terms of the charge.



Notices

Where you receive a notice, order or direction in relation to your property you must tell us immediately and provide us with a copy. This includes letting us know immediately if you receive any notices claiming that you've not complied with relevant consents or regulations in relation to any work you've undertaken on your property.

You must also, at your cost, take the steps we reasonably ask you to take in challenging any order or proposal affecting your property.



Giving us and others access to your property

You must allow us and anyone we appoint to enter and inspect your property if we ask. Any visit will be at a reasonable time and you'll be told in advance.

You must also allow us or anyone we appoint to access your property to carry out or complete any building work needed to ensure your property is in good condition including where any work is

unfinished. We may do this if you've failed to keep your property in good condition.

You must also allow us or anyone we appoint access to your property in order to comply with the law or for any other matter where it is reasonable for us to do so because we need to do something you're required to do, but you have not done.

If we or anyone we appoint enters your property, it doesn't mean that we've taken possession or accepted legal responsibility for it.

7. Insuring your property

You must make sure that your property is covered by buildings insurance for its full rebuilding cost. The rebuilding cost includes site clearance, professional fees and any legal and regulatory requirements. You must not do anything which means the insurer could refuse to pay claims under the buildings insurance.

If your property is leasehold and the landlord is responsible for insuring it, you must make sure that they are doing so. If the landlord does not insure the property or is insuring for less than its full rebuilding cost, you must let us know.

You must tell your insurers about the tenancy and comply with any requirements they have.

If your property is not insured, we may arrange

insurance. If we do this, we'll pass on the cost to you. Where we arrange insurance, we may add the cost of this to the loan and interest will be charged on it.

If a claim is made on the buildings insurance, any money received from the insurer must be used to reinstate the property or reduce or pay off the money you owe us.

You hold any money paid to you by the insurer on trust for us. This means that you'll hold the money on our behalf, and if we ask for it you must pay it to us immediately. We'll use the money to reinstate the property or (if it is not practical to reinstate it) to pay off the money you owe us.

8. Defaulting on your mortgage

Being in default means you've failed to keep to our agreement, or something else has happened, and it is so significant that we can take steps to end the mortgage.

When you're in default, you must pay us all of the debt immediately. We don't need to write to you first to demand payment.

You'll be in default if any of the following things happen.



You're late in paying money under the mortgage

Any part of your monthly payment that you miss is known as arrears. You're in default if your arrears are equal to two monthly payments or more. You'll

also be in default if you owe us any other amount equal to two monthly payments or more and are more than one month late in paying this. For example, you may owe us service charges that we've had to pay on your behalf.



You don't repay the money you owe at the end of the term

You're in default if you don't repay the debt as soon as your term ends.



You're in breach of your mortgage terms

You're in default if you've breached any term of your mortgage which doesn't require you to pay money. However, you won't be in default if the breach is minor, or you put it right quickly.



Enforcement, bankruptcy and insolvency

You're in default if:

- any security you've given (other than the mortgage) becomes enforceable
- any money or other obligation you owe us (other than the money owed under the mortgage) has become due and payable
- Insolvency Proceedings are brought against you.



The information you gave us was incorrect

You're in default if we find out that information you gave us when you applied for your mortgage was incorrect or incomplete. However, you're only in default in this case if we would not have lent you the money if you had given us the correct or complete information.



Unlawfulness

You're in default if it becomes unlawful for you or us to perform any or all obligations under the mortgage.



In the event of your death

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 debt will be immediately due. Our security will remain in place and our rights under your mortgage won't be affected. We will deal with your personal representatives about how the money you owe us is to be repaid.



Where there is a guarantor

You're in default if any of the events set out above in relation to enforcement, bankruptcy and insolvency happen in relation to a guarantor.

You're in default where any guarantor which is a limited company, limited liability partnership or Scottish partnership changes its ownership of its shares or membership or is subject to a change in control without our prior consent.

You're in default if we find out that information any guarantor gave us when you applied for your mortgage was incorrect or incomplete. However, you're only in default in this case if we wouldn't have lent you the money if the guarantor had given us the correct or complete information.

You're in default if it becomes unlawful for any guarantor or us to perform any or all obligations under the guarantee.



A public body takes possession of your property

You're in default if there is a compulsory purchase order on your property or the government or another public body takes possession of your property or part of it.



In England or Wales

You're in default if your property is leasehold and you've breached the terms of your lease, for example, you haven't paid your ground rent or service charges.

9. What happens if you default?

If you default, we may immediately take steps to:

- repossess the property
- sell the property
- appoint a receiver (not in Scotland)

Our right to sell your property is free from the restrictions in the Property Acts.

We can also use the other enforcement rights and general rights we have under the Property Acts and mortgage law.

These rights are free of any restrictions in the Property Acts and in addition we're able to do any of the following:

- **Look after the property**

If you haven't been looking after your property, we can do any repairs or building work needed to put it into good condition. This includes applying for all necessary consents, for example, planning permission.

- **Manage lettings**

We can grant a new lease, tenancy, or licence of the property. We can collect the rent being paid under an existing lease, tenancy, or licence. We can also agree to the lease, tenancy or licence being extended or given up, or to its terms being changed. We'll use any money we receive to reduce or pay off the money you owe us.

- **Grant rights over other land you own**

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

- **Things left at the property**

If we take possession of your property, we can also remove, store, or sell any goods or animals on the property on your behalf. We won't be responsible for any loss or damage caused by us doing this unless we don't take reasonable care.

- **Using other money you have with us or the Nationwide Group**

If you don't pay any of the money you owe us when it is due, we (or a member of the Nationwide Group) can repay it by using any money you have in an account with the Nationwide Group. We can also repay it by using any other money we owe you.

We (or the Nationwide Group member who holds the money) can do this unless the law or other restrictions prevent it.

We (or the Nationwide Group who holds the money) can use any money from any account held by any borrower named on the mortgage.

This includes accounts held jointly with other people who are not named on the mortgage.

We (or the Nationwide Group member who holds the money) will give you at least 14 days' notice before we use any money under this right.

Any money we (or any receiver) receive from using our rights under this mortgage is applied in the following order:

- first, to pay the costs and charges of and related to the appointment of any receiver, this will include the remuneration of the receiver
- second, to pay any other costs and charges payable under section 3
- third, to repay the rest of the debt
- fourth, to anyone else entitled to repayment. For example, if there is a subsequent charge holder over the property
- finally, any excess will be paid to you or anyone else entitled to it.

Alternatively, we may decide that any money we (or any receiver) receive from using our rights under this mortgage will be paid into a suspense account.

We may hold the money in that suspense account whilst it awaits allocation before applying it as detailed above. We may do this where you have multiple mortgages.

If you have more than one loan or account with us, we'll decide which loan or account will be repaid first and in what proportion.

10. Receivers

This section 10 does not apply where your property is in Scotland.

A receiver is someone who will manage your property.

A receiver can be appointed if you request it or if you've defaulted on your obligations under the mortgage as explained in sections 8 and 9. We can appoint one or more people as receiver and a receiver can be appointed over all or part of your property. We can also remove a receiver and appoint another receiver in their place.

We can appoint a receiver to act jointly with a receiver who has already been appointed. Where there are joint receivers of the same property, including any income from the property, each receiver can use all the rights set out in these conditions. They can also execute documents together or individually.

Any receiver appointed will act on your behalf and you're responsible for their costs and their

actions. They may use and pay other people to carry out work that is needed. The receiver can repossess or sell the property. They will have the other enforcement and general rights that we have in the Property Acts and in these conditions. However, they will not have the right to appoint a receiver.

We can agree the remuneration of the receiver appropriate to their work and in accordance with current practice without any other limitations.

Any money received by the receiver will be used in the same order as money received by us as set out in section 9.



The rights receivers have

A receiver has all the rights of an absolute owner of your property and can do, or not do, anything you as the owner of your property can do.

11. Acting on your behalf

When you take out this mortgage, you appoint us to be your attorney.

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

This includes signing documents, entering into agreements and registering any documents at a land registry on your behalf. We can also exchange any information with any other person who has an interest in the property.

We may also obtain information from your legal adviser (including information protected by legal privilege) which is relevant to the mortgage. We can also recover any documents containing this information from a regulatory body or another legal adviser if your original adviser is no longer practising.

If we appoint a receiver, you also appoint them as your attorney. This will be a separate appointment and the receiver will be allowed to do all the things that we can do under our power of attorney (except appoint another receiver).

Our power of attorney and a receiver's power of attorney are both part of our security. This means that you can't revoke either power and they won't be revoked by your death or mental incapacity (in each case, if you're an individual) or Insolvency Proceedings.

These rights will only end when you've paid back all the money you owe us and we no longer have a legal charge over the property.

12. Communicating with you

If we need to communicate with you, we'll write to you by post or email.

If we sent it by ...	We'll send it to...	We'll assume you've received it ...
Post	The address you've given us	Within two working days after posting it
Email	The email address you've given us	On the day we send the email

You should avoid giving us a postal address outside the United Kingdom as a notice posted to that address may take longer than two working days to arrive.

13. Transferring your mortgage

We may transfer some or all of our rights under the mortgage or any guarantee to another person at any time. For example, we could sell your mortgage to someone else.

If this happens, it won't reduce your rights under

the mortgage. As part of this agreement, we can share information we hold about you or any guarantor with the person we're transferring our rights to.

14. Changes to these conditions

In addition to our right to make changes to interest rates and charges, we may also change, remove, or add to any of these conditions. We may do this to:

- take account of any decision by a court or ombudsman

- reflect legal or regulatory requirements.

We'll make sure any change is proportionate to the reason for making it and we'll give you at least three months' notice.

15. Mistakes

If we accidentally discharge the mortgage, you'll still be liable to us if we later find, for example, that we had under calculated the amount due to us. If we want to rely on this condition, we need

to let you know within 90 days of discharging the mortgage. However, if you knew, or should have known, about the mistake this 90-day period will not apply.

16. Your obligations in relation to the letting of your property

There are a number of obligations on you in relation to the arrangements for letting your property. Before you let your property you must provide us with a copy of the tenancy agreement and you must not change its terms without getting our approval in advance.



Terms of the tenancy agreement

Before you let your property you must have a signed tenancy agreement from each tenant. You must do what is legally required to ensure your tenants comply with the terms of their tenancy. Any tenancy must meet certain conditions as follows and we must approve it in writing in advance and you must not change the terms of the tenancy or waive any of your rights without agreeing it with us first.

- **Form of tenancy**

The rules on the form of tenancy we require depend on where the property is situated and when the tenancy is entered into. Our requirements are explained below. Your legal adviser must check that any tenancy complies with these requirements and if you're unsure about what the requirements are please speak to your legal adviser:

Where your property is in England:

- if the tenancy was created before 1 March 1997, the tenancy must be a single Assured Shorthold Tenancy as defined in the Housing Act 1988. It must be for a term of not less than six months. Your legal advisor must ensure that valid notices were served under Section 20 of the Housing Act 1988 before the tenancy was created and see a copy of the tenancy agreement.
- if the tenancy was created after 28 February 1997, the tenancy must comply with the requirements of the Housing Act 1988, as amended by the Housing Act 1996, as an Assured Shorthold Tenancy.

In each case the tenancy must not grant any rights which would allow the tenant to continue to live in the property beyond the term of the tenancy.

Where your property is in Wales:

- the tenancy must be an occupation contract and comply with the requirements of the Renting Homes (Wales) Act 2016.

Where your property is in Scotland:

- the tenancy must be a Private Residential Tenancy under the Private Housing (Tenancies) (Scotland) Act 2016.
- it must also comply with all other requirements of the Private Housing (Tenancies) (Scotland) Act 2016.

- **Landlord and Tenant Act**

If you're buying the property, your legal adviser must ensure that all the requirements of Part 1 of the Landlord and Tenant Act 1987, the Housing Act 1988 as amended by the Housing Act 1996, the Housing Act 2004, the Immigration Act 2014 and the Tenant Fees Act 2019 (or, if the property is in Scotland, the Housing (Scotland) Act 1988 or the Private Housing (Tenancies) (Scotland) Act 2016) have been complied with by the seller.

- **Private dwelling**

The tenancy must only allow your property to be used as a private dwelling of the tenant and their close family unless we consent to the property being used for another purpose.

- **Duration**

The tenancy must not be for a period longer than 36 months other than where the property is in Scotland and subject to the Private Housing (Tenancies) (Scotland) Act 2016.

- **Standard terms**

- The tenancy agreement must be on standard terms with standard protections for you as the landlord and must not contain terms which could have a negative effect on us as your lender.
- The tenant must not be able to sublet your property.
- The tenant must not be able to renew the lease at the end of its term (unless the tenancy is subject to the Private Housing (Tenancies) (Scotland) Act 2016.
- You must be able to get vacant possession at the end of the tenancy.

- o Your tenant must not leave the property unoccupied for more than 30 consecutive days.
- o Where there is more than one tenant, each tenant must sign the tenancy agreement so that each is responsible for paying the rent and meeting the obligations.



Deposits

You must hold any deposit you take for the tenant in accordance with all legal requirements and you must provide all required information to the tenants as required by law.



References

You must obtain references from the tenants about their ability to pay any rents.



Leasehold properties

Where your property is leasehold, you must get the consent of your landlord before you enter into a tenancy agreement of your property and comply with any requirements in your lease or other requirements your landlord has as a condition of giving their consent.



Legal requirements

You must comply with all legal obligations in relation to the letting of your property and obtain any licences, authorisations and approvals you need. This includes all requirements in relation to houses in multiple occupation.



Types of tenants

You must not let your property to any of the following:

- a tenant who could claim diplomatic immunity
- your family members (including, for example, your spouse, civil partner, parents, grandparents, siblings, children and grandchildren). We refer to these as Family Members
- if you're a company or limited liability partnership
 - o any director, member or shareholder or
 - o any Family Member of a director, member or shareholder.

You must not let your property as a holiday let (including short term lets such as Airbnb) without our consent.



Changes to our requirements

We may change our requirements in relation to the letting of the property set out in this section 16. We may do this to:

- take account of any decision by a court or ombudsman
- reflect legal or regulatory requirements
- reflect changes in our policies where we're acting as a prudent lender.

We'll make sure any change is proportionate to the reason for making it and we'll give you at least 30 days' notice.

If we make a change, it will not affect any tenancy which is already in place for the remainder of the term of the tenancy unless there are changes in the legal or regulatory requirements affecting tenancies which are already in place.

17. Where you're a company, a limited liability partnership or a Scottish partnership

The rights in this section apply where you're a limited company, a limited liability partnership or a Scottish partnership and additional provisions apply to those set out elsewhere in these terms including any required under any law or regulation in relation to houses in multiple occupation.

Where we refer to 'you', 'your' or 'the borrower', we are referring to the limited company, limited liability partnership or Scottish partnership named as the borrower(s) on the mortgage. It includes your successors in title and any person other than a guarantor who undertakes the obligations of the borrower. If there is more than one of you, 'you' or 'your' means all of you. You are each responsible for the entire mortgage individually, and you are also responsible as a pair or a group.

Where we refer to 'Insolvency Proceedings' in the case of a borrower which is a limited company, a limited liability partnership or a Scottish partnership we mean:

- an arrangement, scheme, compromise, moratorium or composition is proposed or has been made with creditors
- a winding-up order or sequestration order has been presented or made with respect to the borrower
- a resolution for voluntary winding-up (other than a members' voluntary winding-up) has been proposed or passed
- an administrator, receiver, manager, supervisor, or trustee has been appointed, or
- distress, execution, or other process is brought against any property or assets.



Additional obligations in relation to your business

- you're responsible for making sure that your business is conducted properly and in accordance with all legal and regulatory requirements. This means ensuring that you keep proper accounts and ensure that they are filed as required at Companies House. If we ask to see your accounts, you must provide them to us.

- you're responsible for paying all rents, taxes and other liabilities in relation to your business promptly. We may ask to see receipts to show that you've made these payments.
- you must seek our consent in advance to any proposed changes to your directors, shareholding (in the case of a limited company) or membership (in the case of a limited liability partnership or Scottish partnership). We'll act reasonably in giving our consent. It may be a condition of our consent that a guarantee is provided by the new directors or members and if required you'll help obtain the guarantee.



Additional rights of receivers

This section does not apply where your property is in Scotland.

In addition to the rights of receivers set out in section 10, where you're a company or a limited liability partnership, any receiver will have the following additional rights:

- where you're a company, where we take possession or collect and get in the property to make or to require your directors to make calls on the holders of your share capital in respect of any such capital which remains uncalled.
- where you're a limited liability partnership, to make calls on the members in respect of unpaid capital and to enforce payment of calls made on members and any previous unpaid calls by taking proceedings in your name.
- any rights of a receiver apply irrespective of whether you've entered into Insolvency Proceedings.



Additional default provisions

In addition to the provisions on default in sections 8 and 9, you will be in default if any change is made to the ownership of your shares or membership or you're subject to a change in control, without our prior consent.

18. Standard securities in Scotland

Where the money you owe us is to be secured by a standard security over heritable property in Scotland, the standard conditions in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended, shall apply, subject to the variations set out in these conditions.

Standard Conditions (Scotland only)

These are the standard conditions contained in Schedule 3 of the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended, referred to in The Mortgage Works Standard Buy to Let Mortgage Conditions 2024:

Conveyancing and Feudal Reform (Scotland) Act 1970 (as amended by the Redemption of Standard Securities (Scotland) Act 1971) **Schedule 3**

The Standard Conditions

1. Maintenance and repair

It shall be an obligation on the debtor:

- (a) to maintain the security subjects in good and sufficient repair to the reasonable satisfaction of the creditor;
- (b) to permit, after seven clear days' notice in writing, the creditor or his agent to enter upon the security subjects at all reasonable times to examine the condition thereof;
- (c) to make all necessary repairs and make good all defects in pursuance of his obligation under head (a) of this condition within such reasonable period as the creditor may require by notice in writing.

2. Completion of buildings etc. and prohibition of alterations etc.

It shall be an obligation on the debtor:

- (a) to complete, as soon as may be practicable, any unfurnished buildings or works forming part of the security subjects to the reasonable satisfaction of the creditor;
- (b) not to demolish, alter or add to any buildings or works forming part of the security subjects, except in accordance with the terms of a prior written consent of the creditor and in compliance with any consent, licence or approval required by law;
- (c) to exhibit to the creditor at his request evidence of that consent, licence or approval.

3. Observance of conditions in title, payment of duties, charges, etc., and general compliance with requirements of law relating to security subjects

It shall be an obligation on the debtor:

- (a) to observe any condition or perform any obligation in respect of the security subjects lawfully binding on him in relation to the security subjects;
- (b) to make due and punctual payment of any ground burden, teind, stipend, or standard charge, and any rates, taxes and other public burdens, and any other payments eligible in respect of the security subjects;
- (c) to comply with any requirement imposed upon him in relation to the security subjects by virtue of any enactment.

4. Planning notices, etc.

It shall be an obligation on the debtor:

- (a) where he has received any notice or order, issued or made by virtue of the Town and Country Planning (Scotland) Acts 1947 to 1969 or any amendment thereof, or any proposal so made for the making or issuing of any such notice or order, or any other notice or document affecting or likely to affect the security subjects, to give to the creditor, within fourteen days of the receipt of that notice, order or proposal, full particulars thereof;
- (b) to take, as soon as practicable, all reasonable or necessary steps to comply with such a notice or order or, as the case may be, duly to object thereto;
- (c) in the event of the creditor so requiring, to object or to join with the creditor in objecting to any such notice or order or in making representations against any proposal therefor.

5. Insurance

It shall be an obligation on the debtor:

- (a) to insure the security subjects or, at the option of the creditor, to permit the creditor to insure the security subjects in the names of the creditor and the debtor to the extent of the market value thereof against the risk of fire and such other risks as the creditor may reasonably require;
- (b) to deposit any policy of insurance effected by the debtor for the aforesaid purpose with the creditor;

- (c) to pay any premium due in respect of any such policy, and, where the creditor so requests, to exhibit a receipt therefor not later than the fourteenth day after the renewal date of the policy;
- (d) to intimate to the creditor, within fourteen days of the occurrence, any occurrence which may give rise to a claim under the policy, and to authorise the creditor to negotiate the settlement of the claim;
- (e) without prejudice to any obligation on the contrary enforceable against him, to comply with any reasonable requirement of the creditor as to the application of any sum received in respect of such a claim;
- (f) to refrain from any act or omission which would invalidate the policy.

6. Restriction on letting

It shall be an obligation on the debtor not to let, or agree to let, the security subjects, or any part thereof, without the prior consent in writing of the creditor, and "to let" in this condition includes to sub-let.

7. General power of creditor to perform obligations etc. on failure of debtor and power to charge debtor

- (1) The creditor shall be entitled to perform any obligation imposed by the standard conditions on the debtor, which the debtor has failed to perform.
- (2) Where it is necessary for the performance of any obligation as aforesaid, the creditor may, after giving seven clear days' notice in writing to the debtor, enter upon the security subjects at all reasonable times.
- (3) All expenses and charges (including any interest thereon), reasonably incurred by the creditor in the exercise of a right conferred by this condition, shall be recoverable from the debtor and shall be deemed to be secured by the security subjects under the standard security, and the rate of any such interest shall be the rate in force at the relevant time in respect of advances secured by the security, or, where no such rate is prescribed, shall be the bank rate in force at the relevant time.

8. Calling-up

The creditor shall be entitled, subject to the terms of the security and to any requirement of law, to call-up a standard security in the manner prescribed by section 19 of this Act.

9. Default

- (1) The debtor shall be held to be in default in any of the following circumstances, that is to say:
 - (a) where a calling-up notice in respect of the security has been served and has not been complied with;
 - (b) where there has been a failure to comply with any other requirement arising out of the security;
 - (c) where the proprietor of the security subjects has become insolvent.
- (2) For the purposes of this condition, the proprietor shall be taken to be insolvent if:
 - (a) he has become notour bankrupt, or he has executed a trust deed for behoof of, or has made a composition contract or arrangement with, his creditors;
 - (b) he has died and a judicial factor has been appointed under section 11A of the Judicial Factors (Scotland) Act 1889 to divide his insolvent estate among his creditors, or his estate falls to be administered in accordance with an order under section 421 of the Insolvency Act 1986;
 - (c) where the proprietor is a company, a winding-up order has been made with respect to it, or a resolution for voluntary winding-up (other than a members' voluntary winding-up) has been passed with respect to it, or a receiver or manager of its undertaking has been duly appointed, or possession has been taken, by or on behalf of the holders of any debentures secured by a floating charge, of any property of the company comprised in or subject to the charge.

10. Rights of creditor on default

- (1) Where the debtor is in default, the creditor may, without prejudice to his exercising any other remedy arising from the contract to which the standard security relates, use, in accordance with the provisions of Part II of this Act and of any other enactment applying to standard securities, such of the remedies specified in the following sub-paragraphs of this standard condition as he may consider appropriate.
- (2) He may proceed to sell the security subjects or any part thereof.
- (3) He may enter into possession of the security

subjects and may receive or recover the rents of those subjects or any part thereof.

- (4) Where he has entered into possession as aforesaid, he may let the security subjects or any part thereof.
- (5) Where he has entered into possession as aforesaid there shall be transferred to him all the rights of the debtor in relation to the granting of leases or rights of occupancy over the security subjects and to the management and maintenance of those subjects.
- (6) He may effect all such repairs and may make good such defects as are necessary to maintain the security subjects in good and sufficient repair, and may effect such reconstruction, alteration and improvement on the subjects as would be expected of a prudent proprietor to maintain the market value of the subjects, and for the aforesaid purposes may enter on the subjects at all reasonable times.
- (7) He may apply to the court for a decree of foreclosure.

11. Exercise of right of redemption

- (1) The debtor shall be entitled to exercise his right (if any) to redeem the security on giving notice of his intention so to do, being a notice in writing (hereinafter referred to as a "notice of redemption").
- (2) Nothing in the provisions of this Act shall preclude a creditor from waiving the necessity for a notice of redemption, or from agreeing to a period of notice of less than that to which he is entitled.
- (3) (a) A notice of redemption may be delivered to the creditor or sent by registered post or recorded delivery to him at his last known address, and an acknowledgement signed by the creditor, or his agent or a certificate of postage by the person giving the notice accompanied by the postal receipt shall be sufficient evidence of such notice having been given.
(b) If the address of the creditor is not known, or if the packet containing the notice of redemption is returned to the sender with intimation that it could not be delivered, a notice of redemption may be sent to the Extractor of the Court of Session and an acknowledgement of receipt by him shall be sufficient evidence of such notice having been given.

(c) A notice of redemption sent by post shall be held to have been given on the next day after the day of posting.

- (4) When a notice of redemption states that a specified amount will be repaid and it is subsequently ascertained that the whole amount due to be repaid is more or less than the amount specified in the notice, the notice shall nevertheless be effective as a notice of repayment of the amount due as subsequently ascertained.
 - (5) Where the debtor has exercised a right to redeem, and has made payment of the whole amount due, or has performed the whole obligations of the debtor under the contract to which the security relates, the creditor shall grant a discharge in the terms prescribed in section 17 of this Act.
- 12.** The debtor shall be personally liable to the creditor for the whole expenses of the preparation and execution of the standard security and any variation, restriction and discharge thereof and, where any of those deeds are recorded, the recording thereof, and all expenses reasonably incurred by the creditor in calling-up the security and realising or attempting to realise the security subjects, or any part thereof, and exercising any other powers conferred upon him by the security.

Interpretation

In this Schedule, where the debtor is not the proprietor of the security subjects, "debtor" means "proprietor", except:

- (a) in standard conditions 9(1), 10(1) and 12, and
- (b) in standard condition 11, where "debtor" includes the proprietor.

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

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