

Portfolio Buy to Let Loans

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Terms and Conditions Version 1.8



Portfolio BTL Loans - Terms and Conditions

Thank you for choosing Hodge Bank - Please read the below in conjunction with the loan offer that accompanies this terms and conditions carefully. This document and the loan offer form part of the contract between you and Hodge Bank. Please keep this copy in a safe place. They are also available at Hodgebank.co.uk

We are happy to help at any time, so if you need us do get in touch directly, or speak to your adviser.

These terms and conditions are divided into the following sections:

A. Your loan

this section explains how your loan works, and what happens if you wish to repay it.

B. Your circumstances

find out what the effect a change of circumstances might have on your loan.

C. Your property

the obligations you must comply with in relation to your property.

D. Communicating with us

here we set out the basis on which we can communicate with each other to administer your loan.

E. Breaches and default

this section explains what happens if these terms and conditions are not complied with.

F. Other terms and conditions

other general terms and conditions that apply.

Explanatory Text

Where appropriate, we have included explanatory text, examples, summaries or illustrations. These paragraphs are shown in italics, and are for information only. They do not form part of these terms and conditions.

Definitions

The following definitions have been used in this document:

You, Your means the borrower(s) set out in the Agreement or any other third party who is providing security under the Agreement. Where the context creates a positive obligation on You, the borrower shall procure that any security provider complies with that obligation. In the case of joint borrowers or security providers, both are included in this definition.

Us, We, Our, Ourselves means Julian Hodge Bank Limited, trading as Hodge Bank.

Your Loan, Loan – means all monies owed by You to Us at any time under the terms of the Agreement, all interest that We have added to Your Loan, and any additional fees, costs or charges added to Your Loan under these Terms and Conditions.

Your Property/Properties means the income producing residential building/s forming the security against Your Loan as set out in the Agreement.

Loan Offer means the offer document which You signed as acceptance of the Loan.

Legal Charge means for properties in England and Wales, the legal charge over Your Property that forms the security for the Loan, or for properties in Scotland, the standard security over Your Property that forms the security for the Loan.

Agreement means the contract formed between You and Us. The following documents comprise the Agreement:

- the Loan Offer
- the Legal Charge/Standard Security
- these Terms and Conditions
- the Tariff of Charges.

Loan Conditions means all of the conditions of this Loan which You must comply with, as set out in these Terms and Conditions, Your Loan Offer and the Legal Charge or Standard Security.

Amount Owed means the total Loan, Fees and Expenses and Charges owed to the Bank

Loan Term means the amount of time the loan is permitted to be outstanding for as defined in your Loan Offer.

Loan Repayments means the scheduled repayments made to reduce your loan balance in accordance with the terms of your Loan Offer

Fees and Expenses means any fees and expenses which are incurred by You, or Us on Your behalf which are added to the Amount Owed

Monthly Payments means the interest payments or the interest payments and partial repayment of the Loan as agreed between you and us, made by you to us on the same agreed day each month in the manner set out in clause 6.

Use of discretion

We always aim to treat Our customers fairly and in a way that reflects Your individual circumstances. Where in the Loan Conditions there is a reference to action We may take, or to actions which You may be required to take, the word “may” will be taken to mean that such action will be taken (or not taken) at Our entire discretion, which is exercised as We see fit.

Section A - Your loan

1. Interest

- 1.1 The interest rate applying when You take out Your Loan is set out in Your Loan Offer. If the interest rate is fixed, the Interest accrued will fluctuate in line with the number of days within the payment period. If the rate is discounted to our buy to let Standard Variable Rate ("SVR"), it will move in line with changes we may make to the SVR. When the fixed rate of discounted period comes to an end, You will move onto our SVR.
- 1.2 You will incur interest on the loan amount outstanding, and on any other amounts that were not paid to Us when they were due, as set out below.
- 1.2.1 Interest will be charged on the loan amount outstanding from the date We advanced monies to You;
- 1.2.2 Interest will be charged on unpaid Monthly Payments from the day the payment became due, including the day of payment unless remedied;
- 1.2.3 Interest will be charged on any unpaid additional fees, costs or charges added to Your Loan under the Terms and Conditions immediately from the date each fee, cost or charge was added to Your Loan.
- 1.3 Interest will be charged up to the day on which the Loan is repaid.
- 1.4 The interest charged on Your Loan each month is the Loan amount multiplied by the quoted interest rate, divided by 365 and multiplied by the number of days within the payment period. We will also use this method to calculate for part of a month, it will be calculated on a daily basis, based on the number of days in that month.

2. Repayments

- 2.1 Unless you have chosen an interest-only loan, you must repay the capital together with all interest and Fees and Expenses over the Loan Term of the Loan by making the Monthly Payments.
- 2.2 If your Monthly Payments do not include unpaid capital, interest, fees or expenses, you must repay any such unpaid amounts no later than the last day of the Loan Term unless we have added those unpaid amounts to the Loan before the end of the Loan Term
- 2.3 You must repay the Loan in full no later than the last day of the Loan Term.

3. Standard variable rate ("SVR")

- 3.1 If a fixed rate or discount period has come to an end, the interest rate applying to Your Loan will be our associated buy to let Standard Variable Rate of interest ("SVR").

- 3.2 We may increase or reduce the SVR at any time. If we increase the SVR, Your payments will go up. If We reduce the SVR, Your payments will go down.
- 3.3 We will act reasonably in setting the SVR, and We will change the SVR to reflect any reasonable factor that affects Us, including the following:
- The costs We incur to borrow funds;
 - The costs We incur to administer Your Loan;
 - Any changes in the law or regulatory requirements;
 - Significant changes in the economic environment which cause Us to incur additional costs or expose Us to additional risks.
- 3.4 We will give You reasonable notice, in writing, of a change in the SVR if it affects Your Loan, and We will tell You what the new monthly payment will be. We will always endeavour to give You at least 10 working days' notice. There is no guarantee that just because the Bank of England base rate changes, the SVR will change by the same amount.

You can check what the SVR is at any time by visiting our website: www.Hodgebank.co.uk

Alternatively, please call us and we will be happy to assist.

4. Offer conditions

- 4.1 Your Loan Offer may include specific conditions or actions (including deadlines) that must be satisfied after You have taken out the Loan, and these specific conditions form part of the Loan Conditions.
- 4.2 You remain solely responsible for ensuring that any offer conditions are complied with. If You fail to comply with any of the offer conditions, We will treat this as a breach of the Loan Conditions, and deal with it in accordance with section E.

5. First repayment

- 5.1 Depending on when Your Loan completes, Your first Loan repayment may be a part-payment, to reflect the period from the completion of Your Loan up to the end of the first calendar month. Alternatively, this part-amount may be added to the first full monthly interest payment, and collected in the first full month after completion.

When your loan completes, we will tell you in writing what the interest payments will be, and when they will be collected.

6. Monthly Payments

- 6.1 Monthly Payments must be paid on the agreed payment date each month. We will collect these interest payments by direct debit from the bank account You told Us to collect them from.
- 6.2 You must inform Us promptly if You change Your bank account as this may cause issues in collecting Your Monthly Payments.

6.3 When We set up Your Loan, We will set Your payment date to be the 1st day of each month. You can ask Us to change the payment date to the 8th, 15th or 21st of each month, provided that as a result of making this change, there is not a whole month where no interest payment falls due. When We change the payment date, this may result in extra interest building up over the period of the change, and You may need to make two interest payments in one month.

6.4 You must give Us reasonable notice that You want to change Your payment date.

6.5 If You miss an interest payment, You have until the end of that month in order to pay the amount You owe. Missed interest payments will start accruing interest from the day the payment is due.

6.6 We will charge You an arrears fee if You are not up to date with Your interest payments which covers Our additional administration costs resulting from You not making interest payments on time. The amount of the arrears fee is set out in Our Tariff of Charges. The arrears fee will be payable for each month that You are in arrears. Other charges may also apply if you are unable to pay Your loan payments and these are set out in the section headed "When you will pay this charge - If you are unable to pay your loan" in the Tariff of Charges.

7. Term of the Agreement and Loan repayment

7.1 You must repay the Amount Owed under the Agreement no later than the last day of the Loan Term. If any other condition requires you to pay any part of the Amount Owed earlier (for example, Loan Repayments, Fees and Expenses), you must comply with that condition.

7.2 You must repay the Amount Owed whether or not the money from selling any Property or any other security for it is enough to repay the Amount Owed.

7.3 You must repay 100% of the net sales proceeds when a property is sold. You must do this immediately once the sale completes unless otherwise agreed by Us.

7.4 The number of Properties shall not be less than four for the duration of the Loan. Any Loan outstanding must be repaid in full if the number of Properties becomes less than four, even if the Loan outstanding is greater than the sale value.

7.5 If the Loan or any part of it is an Interest-Only Loan, you must make suitable arrangements to pay off the Loan at the end of the Loan Term, which may be by way of a sale of the Properties, or other property owned by you. If the sale of the Properties does not produce enough money to pay off the Loan at the end of the Loan Term, you will have to pay off the shortfall yourself.

7.6 Your Loan Repayment schedule will be made clear in writing when your loan completes

7.7 You may be required to repay your loan in full before the end of the Loan Term when there is a breach of the Loan Conditions and repayment is required by Us in accordance with Section E of these Terms and Conditions.

7.8 You are entitled to repay Your Loan, in full or in part, at any time, but if it is not due for repayment You could be liable to incur early repayment charges as set out in section 9.

8. Overpayments and payment holidays

8.1 You are permitted to make overpayments on Your Loan, but early repayment charges may apply.

8.2 You can make lump sum overpayments of 10% of the Loan amount each year via bank transfer. Alternatively, You can make a regular additional payment of any amount by asking Us to collect, by direct debit each month, a fixed amount in addition to the required monthly interest payment.

8.3 If Your Loan is in arrears when You make a lump sum overpayment or regular additional payment, We will allocate this to Your Loan in accordance with clause 9.2. Otherwise, We will allocate it as set out below.

8.4 If You make an overpayment this will be credited to Your loan account on the day cleared funds are received by Us and We will treat this as a part repayment of the loan. We will recalculate Your monthly interest payment on this lower balance and tell You what Your new interest payment will be.

8.5 If Your Loan is on a variable rate of interest and this interest rate changes during the time that You are making regular additional payments, the monthly interest payment shall change but the additional payment shall stay at the same amount, meaning that the total amount of Your monthly payment will change. If this happens, You can review or stop Your regular additional payment at any time.

8.6 No amounts overpaid or prepaid shall be available for redrawing without Our consent

9. Early repayment charges

9.1 You are entitled to repay Your Loan at any time, however early repayment charges may apply. Details of the early repayment charges applying to Your Loan are set out in Your Loan Offer.

9.2 During the period over which early repayment charges apply, You will be able to exercise the Flexible Repayment Option. The terms of this option are as follows:

9.2.1 You are allowed to repay up to 10% of the Loan amount in each year. Each year will commence on the anniversary date of when We advanced the Loan monies to You.

9.2.2 If in any year You repay more than 10% of the Loan amount, early repayment charges will be applied to the whole amount repaid in that year. You cannot carry over any unused capacity to future years.

10. Additional borrowing

You may apply for additional borrowing at any time, but your eligibility is not guaranteed and will depend on the terms of your application, your property values (and condition), outstanding Loan balance, credit history and your ability to afford a higher loan amount.

A minimum borrowing amount will apply to each additional borrowing transaction. You may need to obtain further financial advice in order to take out additional borrowing, and information about the fees you could incur is set out in our *Tariff of Charges*.

- 10.1 The maximum amount of money We will lend You is outlined in Your Loan Offer.
- 10.2 Any additional borrowing will be subject to Our consent and may require assessment of the loan's financial covenants

11. Tariff of Charges

- 11.1 The Tariff of Charges tells You which Fees and Charges You could incur, including the amount of the fee and charge and the reasons why they become payable.
- 11.2 We shall be entitled to review and amend the Tariff of Charges, including the addition of new charges, provided that:
 - Any increases in existing fees and charges result from the reasonable increase in costs which We incur;
 - New fees have been introduced to reflect the reasonable cost of undertaking work which we have not previously been required to do. For example, this may arise because of a change in legislation or regulation which would require us to undertake new tasks.

Section B – Your Circumstances

Your loan, and your entitlement to it was based on your circumstances at the time of application. Changes in your circumstances may affect your loan. You must seek consent from the Bank in writing in the event of the following changes:

12. Your personal circumstances

- 12.1 You must seek consent from Us of any change to Your management and/or beneficial ownership; including, but not limited to:
 - 12.1.1. For joint borrowers, You must inform Us of any change to the circumstance of either of the partners during the term of the Loan.
 - 12.1.2. For Limited Companies, You must seek consent from Us for any change to Directors and/or Shareholding of the Borrower
 - 12.1.3 For LLPs, You must seek consent from Us if there are any change to the LLP members.
- 12.5 If You want to add or remove someone from the Loan (in the case of joint borrowers), Your ability to do this shall be based on whether You (and, if applicable, any new borrower added to the Loan) will be able to meet the Loan eligibility and affordability criteria after the change is made.
- 12.6 If You want to remove someone from the Loan, You can only do this provided that the remaining borrower can continue to afford the Loan. You may be required to repay part of the Loan in order to ensure that it remains affordable.
- 12.7 Any proposed new beneficiaries, directors, or partners will be subject to satisfaction of Our KYC procedures, these procedures would need to be satisfied prior to our consent being granted

- 12.8 You will be responsible for any costs involved in amending the terms of Your Loan to reflect a change in Your circumstances, even if the changes do not go ahead.

13. Selling or buying property

- 13.1 Your Properties form the security against Your Loan. You must not sell or otherwise dispose of (save for the permitted purpose of leasing on assured shorthold tenancies permitted by clause 14.4), give away or transfer title to any part of Your Properties without Our prior written consent. We may, in the exercise of Our sole discretion, refuse to give consent to such a sale or disposal if We consider that it would result in a reduction of the value of Our security such that it may result in a breach in any financial covenant, or negatively impact on Your ability to make repayments. If We consent to the sale of any part of Your Properties, You may be required by Us to repay some or all of Your Loan.
- 13.2 If You intend to buy additional land or property (whether adjoining or separate to any of Your Properties), You must inform Us in advance and where it adjoins Your Property We may require that any such additional land or property You buy is included as a Property over which we have security.
- 13.3 If Your Property is leasehold, and You buy the landlord's interest or a share of that interest, You must inform Us. We may require that this additional interest is included as a Property over which we have security.
- 13.4 If Your Property is leasehold, and You acquire a share in the management company that manages Your Property, You will agree to Us taking a charge over those shares, and You will consent to Us transferring that share to a new owner if We are ever required to sell Your Property.

14. Renting or letting Your Property

- 14.1 Your Properties must be held for the sole purpose of residential letting.
- 14.2 You are not entitled to rent or let any of Your Properties for any other purpose than for residential dwelling without Our prior written consent.
- 14.3 We will only give Our consent to renting or letting any of Your Properties for purposes other than residential dwelling, if it does not affect Our rights and risks under this Loan.
- 14.4 Lettings must all be to third parties on generally market standard assured shorthold tenancy terms for no more than 24 months.
- 14.5 Any lettings on terms other than those permitted in clause 14.4 above are not permitted without Our consent. If Your Properties are held for any other purpose, We may be required to alter the terms and structure of the Loan

15. Borrowing from other sources

- 15.1 You confirm and warrant that We will have a first ranking charge over each of the Properties for the entirety of the Loan Term.
- 15.2. You must obtain Our consent before taking out another loan or loan from a different lender secured on Your Properties.
- 15.3 If another charge is placed against Your Properties, even if it is without Your knowledge or consent, You will not be entitled to apply for any additional borrowing.

16. Court orders

- 16.1 If a court order is made against You it will constitute a breach of Loan conditions and the Loan will become immediately repayable in full.

17. False or misleading information

- 17.1 If We find out that some of the information on which Your Loan was based was false or misleading then We will require You to repay Your Loan in full.

Section C - Your Properties

18. Residence

- 18.1 Your Properties are identified in schedule 1 of the Loan Agreement and constitute the primary security for the Loan
- 18.2 None of Your Properties can be occupied by You, Your spouse or Your relative, or a director, shareholder, or LLP member of the borrower or their spouse or relative. You must inform Us immediately if You or any such persons intend to move in to any of Your Properties as this is likely to affect Your eligibility for Your Loan.
- 18.3 You must not carry out any business, trade or enterprise (other than residential letting in accordance with clause 14.4) from Your Properties without Our prior written consent.

19. Property maintenance, repair or alteration

- 19.1 You must maintain Your Properties in a good state of repair. We reserve the right to inspect Your Properties at any time (at a mutually convenient date and time) subject to at least one month's written notice of Our intention to inspect, unless we deem that it is an emergency, in which case We can inspect any of the Properties without notice.
- 19.2 If Our inspection identifies a material defect that needs repair, We will write to You setting out the repairs required, and a proposed deadline to complete the work. A material defect is one that, in Our opinion, adversely affects the value of any of Your Properties, and is not simply a cosmetic or superficial matter.

- 19.3 If You fail to agree to undertake the work within an agreed timeframe, or fail to complete the repair work in the timeframe, this will constitute a breach of the Loan Conditions (see section E). We reserve the right, at Our discretion, to arrange for the work to be carried out. We will obtain three quotes for the work, and select the most appropriate based on price, reputation and experience.

You will remain liable for the reasonable costs of doing this work.

- 19.4 You must not undertake any significant alterations to any of Your Properties that are of a structural nature, or materially affect the nature and use of Your Properties, without Our prior written consent.

For example, you must not do any of the following without our consent:

- Construct an extension, convert a garage or loft or otherwise increase or reduce the number of bed rooms;
- Remove any internal walls or install cavity wall insulation;
- Materially change the use of a Property or any part of a Property (e.g. by installing a shopfront or office area).

- 19.5 Before we give Our consent, We will need to be satisfied that all planning and legal issues (such as restrictions contained in Your title deeds) have been complied with. You will be responsible for the costs of preparing reports, plans or opinions that are required before We give Our consent.

19.6 At all times during the Loan Term, You must comply with all laws and regulations applicable to each of the Properties (including those specific to the ownership and letting of the Properties) including but not limited to:

19.6.1 Energy Performance Certificates at a compliant level, or waivers where appropriate

19.6.2 Fire Safety Certificates

19.6.3 Gas safety certificates

19.6.4 Tenancy deposit certificates

19.6.5 Asbestos surveys where appropriate

19.6.6 Any other certificate or requirement to comply with the permitted use of the Properties

20. Compulsory purchase

20.1 If any of Your Properties become the subject of a compulsory purchase order you must immediately inform Us. Your Loan may, at Our discretion, become immediately repayable, or we may require You to reduce the amount outstanding on the Loan.

21. Insuring Your Property

21.1 You must at all times keep Your Properties insured for a buildings sum insured of not less than the rein statement value specified in the valuation report prepared on Your Property at the time Your Loan was taken out. This building sum insured must increase each year thereafter in line with inflation.

21.2 You must not do anything that may result in Your buildings insurance becoming invalid.

21.3 If You make a claim on Your insurance policy, You must use the monies to reinstate, repair or replace any damaged parts of Your Property, and ensure it is in a good state of repair.

21.4 If We become aware that any of Your buildings insurance has lapsed or has been cancelled, We will request confirmation that You have made alternative insurance arrangements. If You fail to satisfy Us that any of Your Properties are adequately insured, We reserve the right, at Our discretion, to insure Your Property or Properties Ourselves. You will remain liable for the costs We incur in insuring Your Property or Properties on Your behalf.

22. Property ownership costs

22.1 You must pay all costs, taxes, levies, outgoing and other sums arising on Your Properties throughout the term of Your Loan, and You must pay these punctually.

22.2 If as a result of Your failure to pay such sums Our security is at risk, We reserve the right to pay such liabilities to protect Our security, but You will remain liable for these costs and become liable to immediately reimburse us for the cost of paying such liabilities and any associated expenses We incur.

Section D - Communicating with us

23. Making changes to Your Loan

23.1 You may give Us instructions in order to make changes to Your Loan by phone or in writing. Our contact details are set out at the end of this document, or alternatively please check our website.

23.2 If Your Loan is in joint names, We will accept instructions from either borrower.

23.3 If Your Loan is in the name of an LLP or limited company, we will accept instructions in line with the company mandate

23.4 If You have appointed an attorney, or any third party to act on Your behalf, We will accept instructions from Your attorney after We have received appropriate confirmation of the appointment.

23.5 You will allow Us to undertake reasonable steps to check Your identity before We discuss Your Loan with You, or before We act upon Your instructions. Once We have acted upon Your instructions, it cannot be cancelled.

23.6 If We have reasonable grounds to do so, We may refuse or delay acting upon Your instruction. We won't be responsible to You for any loss incurred by You resulting from our refusal or delay, provided that We did act reasonably and in accordance with all relevant laws and regulations.

You must inform us as soon as possible if any of the following events happens:

- You change your name;
- You change address
- Your financial situation changes
- You alter any of the Properties significantly or how any Property is used;
- A borrower, shareholder or director of a borrower dies;
- You appoint a Power of Attorney or third party to act on your behalf;
- You change your bank details and we can no longer collect direct debits;
- You spot an error on your loan statements;
- You experience financial difficulties (see below).
- You breach any financial covenant outlined in your Loan Offer
- Any change to Your, partnership, shareholding, directors including a change to % ownership
- You wish to sell, or otherwise dispose of any of the Properties

24. What happens if You experience financial difficulties?
- 24.1 You must tell Us immediately if You encounter financial difficulties and are having trouble making Your payments.
- 24.2 We will contact You if You miss a payment in order to discuss the reasons for this, and how We can help. We may request, and You must provide, up to date information in order for Us to consider Your ability to afford the Loan in future.
- 24.3 If You fail to keep up with the payments on this Loan which You are obliged to make, We will treat this as a breach of these terms and conditions, and deal with it in accordance with section E.

Section E - Breaches and Default

25. Events of Default

- 25.1 The occurrence of any of the following events will be deemed an event of default under this Loan Agreement:
- 25.1.1 You fail to comply with the Loan Conditions in any respect to our satisfaction.
- 25.1.2 It becomes, or we anticipate that it may become, unlawful or impossible for Us to continue to lend the Loan to You or otherwise meet any of our obligations in the Agreement.
- 25.1.3 Any charge over any of the Properties, or any other security given by You, becomes unenforceable or is likely to become unenforceable, by Us.
- 25.1.4 It becomes, or we anticipate that it may become, unlawful or impossible for You to borrow the Loan, continue to provide a charge over any Property or any other security, or to otherwise comply with Your obligations in the Agreement.
- 25.1.5 You are, We believe that You are likely to become, insolvent or otherwise unable to pay your debts as they become due, or any insolvency proceedings (including voluntary arrangements) are commenced or threatened against You.
- 25.1.6 You fail to pay any sums under the Agreement or fail to make any payment to any other person when due.
- 25.1.6 Any litigation or proceedings of any nature whatsoever are commenced or threatened against You.
- 25.1.7 Any circumstances arise which we believe may have an impact on Your financial position or Your ability to perform and comply with Your obligations in the Agreement.
- 25.1.8 Any Property or other security is destroyed, materially damaged or otherwise likely
- 25.2 You shall inform us in writing as soon as practicable upon becoming aware of the occurrence or likely occurrence of any of the events listed in clause 25.1.
- 25.3 If we suspect a breach to the financial covenants as set out in Your Loan Offer, we will take all reasonable steps to identify the breach. This may include a valuation of some, or all of the Properties, with all expenses to be met by You.
- 25.4 Once a breach has been identified by Us and if it is appropriate in the circumstances, Our first course of action will be to allow You the chance to remedy the breach if the breach is one that is capable of being remedied. We will discuss with You how to go about this, and how much time You will be allowed. We will consider any breaches in light of your individual circumstances and we will always aim to be fair in our dealings with you. The severity of a breach will be assessed based on the number of payments you have missed or the impact it has on the value of your Properties. To remedy a breach, it is likely that you will have to either:
- Pay any arrears that have built up on your account;
 - Stop doing something that was not allowed under the terms and conditions
 - Do something that you were meant to do to comply with the terms and conditions (such as undertaking some repairs on your Property to keep it in a good state of repair).
- 25.5 You are responsible for the costs of remedying a breach. You should be aware that if You cannot afford to do so, there is a risk that You will be in default of Your obligations under these terms and conditions (see clause 26).
- 25.6 If You are in breach of the Loan Conditions because You are in arrears, if appropriate in the circumstances We will aim to give You sufficient time and opportunity to catch-up on your payments, or make alternative arrangements to repay Us.
- 25.7 In order to protect Our interests (and where it is possible), We reserve the right to remedy any breaches Ourselves where You fail to remedy a breach within a reasonable timeframe or as agreed with Us, and to pass on the costs of this work to You. If We need to remedy a breach, We may enter any and all of Your Properties.

26. Default

- 26.1 If any event of default in clause 25 occurs (and, if applicable, You fail to remedy a breach in accordance with clause 25) You will be deemed to be in default of Your obligations under the Loan Conditions.
- 26.2 If You are in default, the following implications may arise:
- 26.2.1 Your Loan may immediately become due for repayment;
- 26.2.2 We may take legal action to repossess a Property or Properties. You will lose all rights of ownership of Your Property/Properties if it is/they are repossessed.
- 26.3 If Your Properties are in England or Wales and We need to take possession and sell Your Property in order to repay Your Loan, We may appoint a receiver to do this, as described in clause 27.
- 26.4 If Your Property is in Scotland and We need to take possession and sell Your Property in order to repay Your Loan, We reserve the right to sign any documents necessary to sell Your Property.
- 26.5 If there are any personal belongings in Your Property/ Properties at the time it is repossessed, We may remove these belongings in order to sell Your Property/Properties. If We store them, You will be responsible for the costs of storage. We may decide to continue letting a Property/Your Properties instead of selling them and if we do so, any money we receive will be at market rates at the time and will be used in the following order:
- 26.5.1 Outgoings on any of Your Properties;
- 26.5.2 Repairs and maintenance of any of Your Properties;
- 26.5.3 Repayment of Your Loan.
- 26.6 When a Property/Your Properties are sold, We will use all of the proceeds as required to clear Your Loan and to reimburse us for any costs, expenses, fees or losses We have incurred on Your behalf. Any monies left over will be paid to You.
- 26.7 If You abandon a Property/the Properties, or hand over the keys to Us, We shall be entitled to sell it and use the sales proceeds to repay the Loan and to reimburse us for any costs, expenses, fees or losses We have incurred on Your behalf. Any monies left over will be paid to You. You remain liable to Us for the full amount of the Loan outstanding. We shall be entitled to exercise all reasonable steps available to Us in order to recover any shortfall.

27. Appointment of receivers

- 27.1 At any time after we have demanded payment of any of the amounts owed under the Loan, or if You have breached the Loan Conditions, We may appoint in writing one or more people (whether or not one of our officers) to be a receiver of all or any part of Your Properties and any other security We hold in relation to Your Loan.

- 27.2 Where We appoint more than one receiver they may be given power to act either together or on their own. We may, from time to time, agree the charges of any receiver and may remove the receiver and appoint someone else. The receiver shall (so far as the law allows) be your agent. You alone will be liable for any thing which he does or fails to do and for his charges.
- 27.3 A receiver will have and be entitled to exercise all powers given by the Law of Property Act 1925 to a receiver and all powers given to us by these conditions. The receiver shall also be entitled to exercise in relation to the Properties and any other security for the Amount Owed all the powers of an absolute beneficial owner.
- 27.4 Any money received by the receiver in the exercise of his powers under the Loan and under general law shall be (so far as the law allows) applied by him as follows:
- 27.4.1 in payment of the costs, charges and expenses relating to his appointment and the exercise of all or any of his powers;
- 27.4.2 in payment of his charges;
- 27.4.3 in payment to Us of any Amounts Owed to Us.
- 27.5 Any balance remaining after this allocation has been completed shall be paid to the person or entity entitled to it.

28. Recovery of costs

- 28.1 We reserve the right to recover from You all costs that We reasonably incur resulting from You being in breach or default of Your obligations, or which We otherwise incur in seeking to protect our position, as follows:
- 28.1.1 The costs of any legal proceedings in connection with the Loan or the Properties (whether brought by or against You or anyone else);
- 28.1.2 The costs of valuing or inspecting Your Properties;
- 28.1.3 The costs We pay to recover any money You owe Us or to create or protect Our security or in using Our rights and powers;
- 28.1.4 Costs resulting from Your breach of any of the Loan Conditions including any costs We incur in putting right any of the Loan Conditions;
- 28.1.5 Our costs in arranging any insurance on the Properties;
- 28.1.6 Any administration fees We charge for any work We do in connection with the Loan;
- 28.1.7 All of the amounts above are subject to value added tax, insurance premium tax and any other properly chargeable taxes.
- 28.2 We will charge You interest, at the same interest rate as that which applies to Your Loan, on all costs We incur under clause 32.1.

Section F - Other Terms and Conditions

29. Making changes to these Terms and Conditions

- 29.1 We may make changes to these Terms and Conditions without Your agreement if We need to do so in order to reflect a change in the law or regulation, as a result of changes in our IT or administration systems, or to correct any errors or omissions. We will inform You if any such changes are made.
- 29.2 If We need to make changes for other reasons, We will ask for Your agreement first.
- 29.3 The terms set out in Your Loan Offer shall take priority if these Terms and Conditions are found to be inconsistent or different.

30. Governing law

- 30.1 If Your Properties are in England or Wales, this Agreement shall be governed by the laws of England and Wales.
- 30.2 If Your Properties are in Scotland, this Agreement shall be governed by the laws of Scotland.
- 30.3 If any part of this Agreement is found to be legally unenforceable, this will not affect any other parts of the Agreement and these shall remain in force.

31. Joint and several obligations

- 31.1 If this Agreement is a in the name of more than one individual, both parties are responsible for all aspects of this Loan, both on a joint basis, and each borrower individually.
- 31.2 A person who is not a person named in this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, and except as expressly provided in the Agreement there is no intention for any person who is not a person named in this Agreement to have any rights to enforce its terms.

32. Information supplied by You or Your adviser

- 32.1 You must ensure that any information given to Us is accurate. We reserve the right to amend the amount or terms of Your Loan if We find out that it has been set up based on incorrect information. This may result in You having to repay some or all of Your Loan.
- 32.2 If we, at any time during the Loan Term, request any information (whether financial or otherwise) from You, you shall promptly provide us with full, clear and accurate information and copies of any documents we may require.

33. Your confirmations

- 33.1 By entering into this Agreement, you confirm and warrant that You:
- 33.1.1 if a limited company or LLP, You are duly in incorporated and are compliant with all laws and regulations applicable to You;
- 33.1.2 are able, entitled and have any obtained any necessary authorisations to enter into the Agreement or any variations thereof and comply with the obligations contained therein;
- 33.1.3 are not aware of any events of default in clause 33.2 having occurring or being likely to occur;
- 33.2.1 are the only legal and beneficial owner of each of the Properties;
- 33.2.2 have disclosed all relevant information to Us;
- 33.3 The confirmations in clause 32.1 shall be deemed to be made on each Monthly Payment and on any date when you request or we advance any additional borrowing and your request or we release any security or take any additional security.

34. Assignment

- 34.1 We may transfer Our rights and/or obligations under this Agreement to another party. Your rights and obligations will be unaffected by such a transfer.

35. Security checks

- 35.1 In Our dealings with You, We reserve the right to ask You for any reasonable supporting documentation in order to confirm Your identity, or that of Your directors, shareholders, ultimate beneficial owners, partners or personal representatives, and the accuracy of any transaction.

36. Fraud prevention

- 36.1 If false or inaccurate information is provided and fraud is identified, details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information.
- 36.2 We and other organisations may also access and use this information to prevent fraud and money laundering, for example, when:
- Checking details on applications for credit and credit related or other facilities
 - Managing credit and credit related accounts or facilities
 - Recovering debt
 - Checking details on proposals and claims for all types of insurance
 - Checking details of job applicants and employees

- 36.3 Please contact us on 0800 731 4076 if you want to receive details of the relevant fraud prevention agencies.
- 36.4 We and other organisations may access and use from other countries the information recorded by fraud prevention agencies.
- 37.  Use of your personal information by Hodge Bank, credit reference agencies and fraud prevention agencies**
- 37.1 When You apply to Us for a loan account, We will check the following records about You and others:
- Our own;
 - Credit reference agencies;
 - Fraud prevention agencies.
- When credit reference agencies receive a search from us they will place a search footprint on your credit file that may be seen by other lenders. They supply to us both public (including the electoral register) and shared credit and fraud prevention information. We will make checks such as assessing this application for credit and verifying identities to prevent and detect crime and money laundering. We may also make periodic searches at credit reference agencies and fraud prevention agencies to manage your account with us.
- 37.2 We will send information about Your application to credit reference agencies and this information will be recorded by them. If Your application is successful and You borrow from us, We will give details of Your accounts and how You manage them to credit reference agencies. If You do not repay Your loan in full and on time, credit reference agencies will record the outstanding debt. They may supply this information to other organisations to perform similar checks, to trace Your whereabouts and recover debts that You owe. Records remain on file for six years after they are closed, whether settled by You or defaulted.
- 37.3 If You give us false or inaccurate information and We suspect or identify fraud We will record this and may also pass this information to fraud prevention agencies and other organisations involved in crime and fraud prevention.
- 37.4 If You have borrowed from Us and do not make payments that You owe Us, We will trace Your whereabouts and recover debts.
- 37.5 We and other organisations may access and use the information recorded by fraud prevention agencies from other countries.
- 37.6 Your data may also be used for other purposes for which You give Your specific permission or, in very limited circumstances, when required by law or where permitted under the terms of the General Data Protection Regulation.

How to find out more

This is a condensed version of how your data may be used. Full details are available on our website or by calling us to request a copy. If you want to, you can also contact the credit reference agencies operating in the UK. The information they hold about you may not be the same so it is worth contacting them all. They will charge you a small statutory fee.

Get in touch

Email: portfoliobtl@hodge.co.uk

Hodge Bank, One Central Square, Cardiff, CF10 1FS

Customer website: www.hodgebank.co.uk

Adviser website: www.hodgeforintermediaries.co.uk

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