



Retirement Mortgage

Terms and Conditions
Version 1.2



HODGE
LIFETIME

Retirement Mortgage – Terms and Conditions

Thank you for choosing Hodge Lifetime – our aim is to give you security and peace of mind during your retirement. If you have any questions whatsoever, please get in touch with us using the details at the end of this booklet.

Terms and conditions are rarely entertaining, but a mortgage is a long-term commitment so please read through them, and keep this document in a safe place for future reference. It sets out the terms and conditions that apply to your loan, and forms part of the contract between you and Hodge Lifetime. These terms and conditions should be read in conjunction with your Retirement Mortgage Offer.

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 mortgage.

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. In the case of joint borrowers, both are included in this definition. In the event of Your death,

Your executors or personal representatives must continue to fulfil the obligations set out in this Agreement until Your Loan is repaid.

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

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 means the residential dwelling forming the security against Your Loan as set out in the Agreement.

Retirement Mortgage 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 Retirement Mortgage Offer
- the Legal Charge
- 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 Retirement Mortgage Offer and the Legal Charge or Standard Security.

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 Retirement Mortgage Offer. If the interest rate is a fixed rate, Your monthly payments will not vary during the period that this fixed rate applies. When the fixed rate period comes to an end, You will move onto our standard variable interest rate.

- 1.2 You will incur interest on the capital 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 capital amount outstanding from the date We advanced monies to You;

- 1.2.2 Interest will be charged on unpaid monthly payments from the first day of the month after the month in which the payment became due;

- 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 12. If We have to calculate interest for part of a month, it will be calculated on a daily basis, based on the number of days in that month.

2. Standard variable rate (“SVR”)

- 2.1 If a fixed rate or discount period has come to an end, the interest rate applying to Your Loan will be our Standard Variable Rate of interest (“SVR”).
- 2.2 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.
- 2.3 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.
- 2.4 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.hodgelifetime.co.uk/svr**

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

3. Offer conditions

- 3.1 Your Retirement Mortgage 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.
- 3.2 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.

For example, if you are not yet retired, you may have agreed that, when you retire you will use some of the tax free cash you intend taking to reduce the loan balance. If you subsequently fail to do this, it will be a breach of the loan conditions.

4. First interest payment

- 4.1 Depending on when Your Loan completes, Your first interest payment 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.

5. Monthly interest payments

- 5.1 Monthly interest 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.
- 5.2 You must inform Us promptly if You change Your bank details for the bank account as this may cause issues in collecting Your monthly interest payments.
- 5.3 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.
- 5.4 You must give Us reasonable notice that You want to change Your payment date.
- 5.5 If You miss an interest payment, You have until the end of that month in order to pay the amount You owe before additional interest is incurred. Missed interest payments will start accruing interest from the first day of the month after the month in which they became due.
- 5.6 We will charge You an arrears management 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 management fee is set out in Our Tariff of Charges. The arrears management fee will be payable for each month that You are in arrears.

6. Term of the Agreement and Loan repayment

Your loan is not a repayment mortgage, meaning that the interest payments you make do not contribute to repaying the amount you borrowed initially.

- 6.1 Your Loan will only become due for repayment:

- 6.1.1 When You die, or for joint borrowers, on the death of the last borrower to vacate the property; or if earlier
- 6.1.2 When You have moved into long-term care on the grounds of medical or other specialist advice (see 6.2 below) because You are no longer able to live in Your own home, or for joint borrowers, on the entry into long-term care of the last borrower to vacate Your property; or if earlier
- 6.1.3 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

- 6.2 We reserve the right to require written confirmation from Your doctor, a social worker or the person or persons responsible for Your care at any residential care home, that You require long-term care because it is no longer possible for You to live in Your own home. By entering into this Agreement, You consent to the release of such information to Us and You will make reasonable arrangements to assist with the release of that written confirmation.

For example, you agree to sign any consent which allows your doctor or care professional to release sensitive personal information to us about your state of health and your ability to look after yourself in your property.

- 6.3 Once Your Loan becomes due for repayment because You have died or moved into long term care, We will allow a period of 12 months for Your Property to be sold and for Us to be repaid from the proceeds. Interest accruing on the Loan during this time will be added to the Loan balance. If We are not repaid within 12 months, We will classify this as a breach of the Loan Conditions and deal with it in accordance with section E of these Terms and Conditions.
- 6.4 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.

7. Allocation of payments

- 7.1 For all monthly interest payments that We collect by direct debit, We will allocate these payments directly against the interest that You owe for that month.

- 7.2 If You have made a payment in excess of Your monthly interest payment because Your account has been in arrears, We will allocate this excess amount firstly against any interest arrears, next against any additional interest that has accrued on unpaid balances which bear interest, next against any third party costs that We have incurred, and thereafter against any outstanding fees and charges on Your Loan. If some outstanding fees incur interest while others don't, We will allocate the payment against interest-bearing fees in preference to non interest-bearing fees.

Third party costs that we incur may include any professional fees (such as solicitors or valuers) that we have engaged in respect of your loan account, or payments that we have made to third parties on your behalf (such as any buildings insurance or service charges that were due).

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 £500 or more at any time by sending Us a cheque or 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 7.2. Otherwise, We will allocate it as set out below.
- 8.4 If You make an overpayment of £500 or more, this will be credited to Your mortgage 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 You make an additional payment of less than £500, Your Loan balance will not be recalculated and future interest payments reduced until the aggregate amount of additional payments exceeds £500, when clause 8.4 will apply. To the extent additional payments have not been allocated against Your Loan balance, You will be entitled to use these amounts to offset future payments You have to make. Other than in respect of these amounts, You are not permitted to take any payment holidays.
- 8.6 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.

9. Early repayment charges

Your lifetime mortgage has been designed to last for the rest of your life (or until you move into long-term care). However, you may repay all or part of your loan at any time but early repayment charges may apply depending on the circumstances of the repayment.

- 9.1 You will not incur any early repayment charges if You repay all or part of Your Loan due to the following reasons:
- 9.1.1 Full repayment of Your Loan is made in accordance with clause 6.1.1 or 6.1.2; (death or move into long-term care)
- 9.1.2 Part repayment resulting from a change in Your circumstances in accordance with clause 14 or 16; (marriage / re-marriage or moving home)
- 9.1.3 Part repayments You are required to make as a condition of Your Loan in accordance with clause 3; (repayments due as a condition of your offer)
- 9.1.4 Part repayments made in accordance with the terms of the Flexible Repayment Option (see below)
- 9.1.5 Full or part repayments made after any early repayment charge period has ended.
- 9.2 Full details of the early repayment charges applying to Your Loan are set out in Your Retirement Mortgage Offer.

Flexible Repayment Option

- 9.3 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:
- 9.3.1 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.
- 9.3.2 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. No negative equity guarantee

- 10.1 Your Loan benefits from a No Negative Equity Guarantee, meaning that:
- 10.1.1 When you die (or move into long term care) if the value of Your home is not sufficient to repay in full the amount You borrowed, You will not be liable for the difference;
- 10.1.2 If You have exercised the Interest Roll-up Option, when You die (or move into long term care) if the value of Your home is not sufficient to repay in full the additional interest added to Your Loan, You will not be liable for the difference.

- 10.2 In order to benefit from this guarantee, You must comply with the following criteria:
- 10.2.1 You must notify Us not less than 14 days prior to the expected date of exchange of contracts on the sale of Your Property that the agreed sale price is expected to be less than Your outstanding Loan balance;
- 10.2.2 You must have kept Your Property in a good state of repair (see clause 22);
- 10.2.3 Your Property must have been sold on the open market in an arms length transaction, at a fair market price.
- 10.3 If We expect to incur a loss under the no negative equity guarantee, We reserve the right to obtain an independent valuation of Your Property to ascertain its market value.
- 10.4 The No Negative Equity Guarantee will not apply if You repay Your Loan (in full or in part) before it becomes due for repayment, in respect of any costs that We have incurred as a result of You breaching these terms and conditions (see section E), in respect of any arrears relating to Your Loan or if You have failed to comply with clause 10.2.

11. Interest roll-up option

- 11.1 You will be entitled to exercise the Interest Roll-up Option when the youngest borrower reaches their 80th birthday or on the fifth anniversary after taking out the Loan (if later). This means that You will no longer have to pay the interest on Your Loan each month, but instead it will be added to the Loan.
- 11.2 You can choose to exercise the Interest Roll-up Option in full, or in part. Once You have exercised this option, You cannot reverse the decision, but You can continue to make overpayments.
- 11.3 Interest will be calculated on a monthly basis, and compounded at the end of each month.

This means that we start charging interest on the compounded interest from the start of the next month.

- 11.4 We may refuse Your request to exercise the Interest Roll-up Option if You are in breach of these Terms and Conditions at the time of Your request, and in particular if You are in arrears.

12. Your personal circumstances

You may apply for additional borrowing at any time, but your eligibility is not guaranteed and will depend on your property value (and its condition), outstanding loan balance, your age, credit history and your ability to afford a higher loan amount. A minimum borrowing amount will apply to each additional borrowing transaction.

You will 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.

- 12.1 The maximum amount of money We will lend You is £750,000. This includes the initial advance made under Your Loan, and any further borrowing You may consider in the future.

For example, if your initial loan is £500,000, your entitlement to additional borrowing will be capped at £250,000. Similarly, if your initial loan is £750,000, you will not be entitled to any additional borrowing.

13. Tariff of charges

- 13.1 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.
- 13.2 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.

Please inform us of any changes. Please make suitable arrangements for your estate to inform us of relevant changes in the event of your death.

14. Your personal circumstances

- 14.1 For joint borrowers, in the event that one of You dies during the term of the Loan, You must inform Us in order for Us to update Our records.
- 14.2 If You want to add or remove someone from the Loan (for example if You divorce, marry or remarry), Your ability to do this shall be based on whether You will be able to meet the Loan eligibility and affordability criteria after the change is made.
- 14.3 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.

14.4 If You want to add someone else to the Loan:

- You may be required to repay part of the Loan in order to ensure that the Loan that remains outstanding continues to be affordable; and
- If the other person is younger than You, but You have not yet exercised the Interest Roll-up Option, the point at which You can exercise this option will be delayed; and
- If the other person is younger than You, and You have already exercised the Interest Roll-up Option, You may have to repay the interest that has rolled-up to date, and start making interest payments once more.

14.5 Early repayment charges do not apply in respect of any amount repayable in accordance with this clause 14.

14.6 Until the terms of Your Loan are amended, the other person will not have a right of occupation of Your Property in the event of Your death.

14.7 If You want someone else to reside in Your Property, but You do not want to add them to Your Loan, You must first obtain Our consent before they do so. This includes any persons who may reside in Your Property from time to time on a continuous or frequent basis (and including where they do so without paying any amount to you), including family members, Your children or other relatives and anyone else who would be eligible to use Your Property for the purposes of their name being recorded on the electoral roll. They will be required to sign an agreement prepared by Us to move out should You cease to be resident in Your Property.

14.8 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.

15. Your personal circumstances

15.1 Your Property forms the security against Your Loan. You must not sell or otherwise dispose of, give away or transfer title to any part of Your Property 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 reasonably consider that it would result in a reduction of the value of Our security such that We could no longer expect to recover the amount of the outstanding balance. If We consent to the sale of any part of Your Property, You may be required by Us to repay some or all of Your Loan.

15.2 If You intend to buy additional land or property (whether adjoining or separate to Your Property), 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 on Your mortgage.

For example, you should inform us if you buy additional land adjoining your property, or if by buying additional property it means you no longer reside in your property (see clause 21).

15.3 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 on Your mortgage.

15.4 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.

16. Moving House

16.1 Your Loan is portable and We will consent to the transfer of Your Loan to a new property if the following conditions are met:

16.1.1 You must notify Us not less than 14 days prior to the expected date of exchange of contracts on the sale of Your Property that the agreed sale price is expected to be less than Your outstanding Loan balance;

16.1.2 You can continue to afford the Loan;

16.1.3 If the new property is of a lower value, You have made any repayments required in order to keep the balance within Our eligibility criteria. Early repayment charges do not apply in respect of any amount repayable;

16.1.4 If You have already exercised the Interest Roll-up Option and You decide to move to a lower value property, You may be required to make a higher part repayment in order that the loan to value ratio does not change.

16.1.5 You will be liable for all costs incurred in moving home, including Our solicitor's fees, even if the move falls through.

16.2 If You wish to move home, but do not wish to transfer Your Loan to the property You purchase, You are required to repay the Loan in full.

17. Renting or letting Your Property

17.1 You are not entitled to rent or let Your Property without Our prior written consent.

17.2 We will only give Our consent to renting or letting Your Property if it does not affect Our rights and risks under this Loan.

18. Borrowing from other sources

18.1 You must obtain Our consent before taking out another mortgage or loan from a different lender secured on Your Property.

18.2 If another charge is placed against Your Property, even if it is without Your knowledge or consent, You will not be entitled to any additional borrowing.

19. Court orders

- 19.1 If a court order is made against You and We believe it will affect Our security or Our rights under the mortgage, or it will affect the value of Your Property, then the Loan will become immediately repayable and it will constitute a breach of the Loan Conditions.

20. False or misleading information

- 20.1 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 Property

21. Residence

- 21.1 Your Property must be Your main residence and must continue to be Your main residence for the duration of Your Loan. You must inform Us immediately if You move out of the Property as this is likely to affect Your eligibility for Your Loan.
- 21.2 You must not leave Your Property unoccupied for more than six consecutive months.
- 21.3 You must not carry out any business, trade or enterprise from Your Property without Our prior written consent.

22. Property maintenance, repair or alteration

- 22.1 You must maintain Your Property in a good state of repair. We reserve the right to inspect Your Property 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 it is an emergency.
- 22.2 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 Your Property, and is not simply a cosmetic or superficial matter.
- 22.3 If You fail to agree to undertake the work within an agreed deadline, or fail to complete the repair work, 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.
- 22.4 You must not undertake any significant alterations to Your Property that are of a structural nature, or materially affect the nature and use of Your Property 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 bedrooms;
- Remove any internal walls or install cavity wall insulation;
- Materially change the use of rooms (e.g. by installing a shopfront or office area).

- 22.5 Before we give Our consent, We will need to be satisfied that all planning issues, and obligations 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.

23. Compulsory purchase

- 23.1 If Your Property becomes the subject of a compulsory purchase order then Your Loan will become immediately repayable.

24. Insuring Your Property

- 24.1 You must at all times keep Your Property insured for a buildings sum insured of not less than the amount 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.
- 24.2 You must not do anything that may result in Your buildings insurance becoming invalid.
- 24.3 If You make a claim on Your insurance policy, You must use the monies to repair or replace any damaged parts of Your Property, and ensure it is in a good state repair.
- 24.4 If We become aware that 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 Your Property is adequately insured, We reserve the right, at Our discretion, to insure Your Property Ourselves. You will remain liable for the costs We incur in insuring Your Property on Your behalf.

25. Property ownership costs

- 25.1 You must pay all costs and outgoings arising on Your Property throughout the term of Your Loan, and You must pay these punctually.
- 25.2 If as a result of Your failure to pay such costs and outgoings 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.

Section D – Communicating with us

26. Making changes to Your Loan

- 26.1 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.

- 26.2 If Your Loan is a joint mortgage, We will accept instructions from either borrower.
- 26.3 If You have appointed an attorney, We will accept instructions from Your attorney after We have received appropriate confirmation of the appointment.
- 26.4 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.
- 26.5 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.

As noted elsewhere in these terms and conditions, please inform us as soon as possible if any of the following events happen:

- You remarry, divorce or change your name;
- You stop living in your property or using it as your main residence;
- Someone else moves in with you;
- You alter your property significantly or how it is used;
- Either borrower dies;
- You appoint a Power of Attorney;
- 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).

27. What happens if You experience financial difficulties?

- 27.1 You must tell Us immediately if You encounter financial difficulties and are having trouble making Your payments.
- 27.2 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 regarding Your income and outgoings in order for Us to consider Your ability to afford the Loan in future.

- 27.3 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

28. Failure to comply with the Loan Conditions

- 28.1 If You fail to comply with the Loan Conditions, We will treat this as a breach.
- 28.2 Once a breach has been identified by Us, 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 property.

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 (for example to stop using your property for business purposes);
- 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).

- 28.3 **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 29).**

- 28.4 If You are in breach of the Loan Conditions because You are in arrears, We will act reasonably in giving You sufficient time and opportunity to catch-up on your payments, or make alternative arrangements to repay Us.

- 28.5 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 Your Property if We need to.

29. Default

- 29.1 If You fail to remedy a breach in accordance with clause 27, or You fail to do so within the agreed timescale, You will be deemed to be in default of Your obligations under the Loan Conditions.

29.2 If You are found to be in default of Your obligations under the Loan Conditions, the following implications may arise:

29.2.1 Your Loan may immediately become due for repayment;

29.2.2 You may no longer benefit from the No Negative Equity Release guarantee

29.2.3 We may take legal action to repossess and sell Your Property.

You will lose the right to live in your property if it is repossessed.

29.3 If Your Property is 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 30.

29.4 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.

29.5 If there are any personal belongings in Your Property at the time it is repossessed, We may remove these belongings in order to sell Your Property. We may either sell these belongings or store them on Your behalf. If We sell them, We will use these monies to reduce Your Loan balance. If We store them, You will be responsible for the costs of storage.

29.6 We may decide to let Your Property instead of selling it but if we do so, it will be for a period of no more than six months and any money we receive will be at market rates at the time and will be used in the following order:

29.6.1 Outgoings on Your Property;

29.6.2 Repairs and maintenance;

29.6.3 Repayment of Your Loan.

29.7 When Your Property is sold, We will use all of the proceeds as required to clear Your Loan and any costs We have incurred on Your behalf. Any monies left over will be paid to You.

29.8 If You abandon the Property, or hand over the keys to Us, We shall be entitled to sell it and use the sales proceeds to repay the Loan. 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.

30. Appointment of receivers

30.1 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 Property and any other security We hold in relation to Your Loan.

30.2 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 anything which he does or fails to do and for his charges.

30.3 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 property and any other security for the amount owed all the powers of an absolute beneficial owner.

30.4 Any money received by the receiver in the exercise of his powers under the mortgage and under general law shall be (so far as the law allows) applied by him as follows:

30.4.1 in payment of the costs, charges and expenses relating to his appointment and the exercise of all or any of his powers;

30.4.2 in payment of his charges;

30.4.3 in payment to us of the secured amount.

30.5 Any balance remaining after this allocation has been completed shall be paid to the person entitled to it.

31. Recovery of costs

31.1 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 as follows:

31.1.1 The costs of any legal proceedings in connection with the Loan or the Property (whether brought by or against You or anyone else);

31.1.2 The costs of valuing or inspecting Your Property;

31.1.3 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;

31.1.4 Costs resulting from Your breach of any of the Loan Conditions including any costs We incur in putting right any of the Loan Conditions;

31.1.5 Our costs in arranging any insurance on the Property;

31.1.6 Any administration fees We charge for any work We do in connection with the Loan;

31.1.7 All of the amounts above are subject to value added tax, insurance premium tax and any other properly chargeable taxes.

31.2 We will charge You interest, at the same interest rate as that which applies to Your Loan, on all costs We incur under clause 31.1.

Section F - Other Terms and Conditions

32. Making changes to these Terms and Conditions

- 32.1 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.
- 32.2 If We need to make changes for other reasons, We will ask for Your agreement first.
- 32.3 If these Terms and Conditions are found to be inconsistent or different to the conditions set out in Your Retirement Mortgage Offer, the terms set out in Your Retirement Mortgage Offer shall take priority.

33. Governing law

- 33.1 If Your Property is in England or Wales, this Agreement shall be governed by the laws of England and Wales.
- 33.2 If Your Property is in Scotland, this Agreement shall be governed by the laws of Scotland.
- 33.3 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.

34. Joint and several obligations

- 34.1 If this Agreement is a joint mortgage, both parties are responsible for all aspects of this mortgage, both on a joint basis, and each borrower individually.
- 34.2 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.

35. Information supplied by You or Your adviser

- 35.1 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.

36. Assignment

- 36.1 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.

37. Security checks

- 37.1 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 executors or personal representatives, and the accuracy of any transaction.

38. Fraud prevention

- 38.1 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.
- 38.2 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
- 38.3 Please contact us at 0800 731 4076 if you want to receive details of the relevant fraud prevention agencies.
- 38.4 We and other organisations may access and use from other countries the information recorded by fraud prevention agencies.

39. Use of your personal information by Hodge Lifetime, credit reference agencies and fraud prevention agencies

- 39.1 When You apply to Us for a mortgage account, We will check the following records about You and others (see 39.2 below):
- 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.

- 39.2 If You make a joint application to Us, or have a spouse or financial associate, We will link your records together. You must be sure that You have their agreement to disclose information about them.

Credit reference agencies also link records together and these links will remain on file. You or your partner can make an application to the credit reference agency to disassociate your records to break that link.

- 39.3 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.
- 39.4 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.
- 39.5 If You have borrowed from Us and do not make payments that You owe Us, We will trace Your whereabouts and recover debts.
- 39.6 We and other organisations may access and use the information recorded by fraud prevention agencies from other countries.
- 39.7 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.

- CallCredit, Consumer Services Team, PO Box 491, Leeds, LS3 1WZ or call 0870 060 1414
- Equifax PLC, Credit File Advice Centre, PO Box 3001, Bradford, BD1 5US or call 0870 010 0583 or visit www.myequifax.co.uk
- Experian, Consumer Help Service, PO Box 8000, Nottingham NG80 7WF or call 0844 481 8000 or visit www.experian.co.uk

Please contact Hodge Lifetime if you want details of the relevant fraud prevention agencies.

Complaints

We hope you will be delighted with our service. But, if we fall short and you wish to complain, please contact our Complaints Officer immediately. Our contact details are set out in the 'How to contact us' section below. We will send you an acknowledgement together with a copy of our internal complaint handling procedure. If you are not happy with the outcome of our investigation, you can then take the matter up with:

The Financial Ombudsman Service,
Exchange Tower, London E14 9SR
Tel: 0800 023 4567
www.financial-ombudsman.org.uk

About us

Doing the right thing is what we aim to do in all areas of our business – it guides our decisions.

Take Hodge Lifetime for example, a business dedicated to the retirement market since 1965. Since that time we've nurtured a great depth of experience and developed a very strong and solid reputation for looking after our customers while being at the forefront of innovation in our core retirement lending markets. This means that you can trust us to do right by you.

We do the right thing with regard to having a social responsibility too. The Hodge Foundation, a charity supporting the welfare, medical, academic and educational areas owns over 75% of our business. This drives us, knowing that by helping our customers to achieve their goals, we are also helping good causes that are important to us.

How to contact us

Here's how you can get in touch with us:

Hodge Lifetime
PO Box 1017
Ipswich
IP1 9WT

Tel: 0800 289 358

Email: mortgageadmin@hodgelifetime.co.uk

www.hodgelifetime.co.uk



Hodge Lifetime is a trading name of Julian Hodge Bank Limited which is registered in England and Wales (No. 743437). It is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Its registered office is One Central Square, Cardiff, CF10 1FS.

Hodge Bank's Privacy Notice confirms how we manage and process your personal data. If you require more detail on how we handle your information please go to <https://www.hodgelifetime.co.uk> and click on the Privacy & Cookies link or call 0800 289 358

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