

Mortgage conditions

First edition

1. Definitions

In these conditions certain words and phrases are shown beginning with capital letters and have special meanings which we set out below.

Application Documents means any application documentation (including any declarations contained in such documentation and which are made by You) submitted to Us by You, or on Your behalf, relating to any Loan application with Us.

Additional Borrowing means any additional funds that We advance after the original Loan, as set out in an Offer for the additional borrowing.

Borrower means the named person(s) to whom the Offer is issued.

Completion means the date on which the Loan proceeds are sent to You or Your solicitor or licensed conveyancer. If the Loan proceeds are used to refinance an existing Loan with Us, Completion will occur on the date We record the transaction in Your Mortgage Account.

Customer Guide means the guide We include with the Offer which explains how the Mortgage Agreement will operate and the policies and procedures that We will apply in administering the Mortgage Agreement and this includes any variations, supplements or replacement of the Customer Guide from time to time.

Early Repayment Charge means a charge for early repayment as set out in the Offer.

Expenses means all reasonable fees, costs, charges and expenses that We reasonably incur in connection with the Mortgage Agreement or the Mortgage Debt. These include fees, costs, charges and expenses which We incur in:

- (a) providing a service in connection with the Mortgage Agreement or the Mortgage Debt;
- (b) collecting or recovering any or all of the Mortgage Debt;
- (c) bringing or defending legal proceedings relating to the Mortgage Debt, the Mortgage Agreement or the Property;
- (d) protecting, preserving or enforcing any security for the Mortgage Debt;
- (e) remedying any breach by You of any of Your duties under the Mortgage Agreement;
- (f) exercising or enforcing any of Our rights or powers under the Mortgage Agreement;
- (g) granting or refusing any consent under the Mortgage Agreement or dealing with any request from You;
- (h) releasing the Property or anything else from Our security; or
- (i) insuring the Property if You fail to do so.

Our Expenses will include fees, costs, charges and Expenses which We have to pay to third parties. We may charge some of Our Expenses by way of fees as set out in the Tariff.

Insurance means the insurance policy You are required to have in place in accordance with condition 17.1.

Insurer means Your insurer under Your Insurance.

Interest Rate means the rate or rates of interest specified in the Offer. These may change under condition 10.

Legal Charge means the document under which You give Us security over the Property and which includes these conditions.

Loan means the amount of money We lend You under an Offer.

LPA means the Law of Property Act 1925.

Month means a calendar month.

Monthly Payment means the contractual Monthly Payment specified in the Offer or any changed Monthly Payment that applies under condition 13.

Mortgage Account means the account that We use to record the Mortgage Debt.

Mortgage Agreement means the agreement between You and Us as set out in the Offer, the Customer Guide, the Legal Charge, any other Security Document, any Application Documents and these conditions. In each case this includes any changes You and We agree, or which We are entitled to make, from time to time.

Mortgage Debt means all of the money which You owe Us under the Mortgage Agreement at any time including:

- (a) the Loan; and
- (b) any unpaid Interest, Expenses, Early Repayment Charge or other fee.

Offer means in relation to any Loan We make to You, the Offer We send to You setting out the terms on which We will make that Loan and any variations, supplements or replacements of or to it from time to time.

Payment Day means the day in each month on which You must make the Monthly Payment as set out in the Customer Guide. We will notify You of that date after Completion. The Payment Day may be changed under condition 11.

Property means the Property(ies) set out in the Legal Charge or any part of it including all buildings and fixtures on it at any time and any alterations or extensions.

Property Rights mean the rights set out in condition 18.4.

Rebuilding Cost means the full cost of rebuilding the Property to its original form (or as close to it as is reasonably possible) including site clearance, all professional fees and the cost of meeting all planning, local authority and other legal and regulatory requirements. The rebuilding cost of the property at Completion is set out within the valuation report referred to in condition 7.

Secured Liabilities means (i) the Mortgage Debt; and (ii) any other money, indebtedness or liabilities that You owe or may owe to Us from time to time on any account and in any manner (whether individually or with others) that You agree can be secured by the Legal Charge.

Security Document means the Legal Charge, standard security and any other security interest, encumbrance or charge We hold from You at any time that secures the Mortgage Debt.

Tariff means the 'Tariff of fees and charges' as published by Us from time to time.

Term means the Term for repaying the Loan that is specified in the Offer. The Term for a Loan will run from Completion. The Term may be changed under condition 13.

Transfer means a mortgage, agreement to sell, assignment, assignation, transfer, charge or any other disposition of all or any of Our rights under the Mortgage Agreement.

Transferee means anyone who is entitled to exercise all or any of Our rights under the Mortgage Agreement as a result of a Transfer.

We, Us and Our refers to Paragon Bank PLC and anyone who at any time is entitled to exercise all or any of Our rights under the Mortgage Agreement which may include:

- (a) any Transferee;
- (b) anyone who is entitled to exercise Our rights because of a group reorganisation; and
- (c) all other successors and assigns or assignees and persons deriving title through them.

Working Day means any day from Monday to Friday (excluding bank holidays and public holidays in England and Wales).

You and Your refers to the person(s) specified as the Applicant in the Offer and Borrower in the Legal Charge. In each case this includes all such persons if this is more than one; and:

- (a) personal representatives; and
- (b) any person to whom title to the Property passes.

2. Interpretation

- 2.1 If the Offer is not consistent with these conditions or the Customer Guide, the Offer prevails. If these conditions are not consistent with the Customer Guide, these conditions prevail.
- 2.2 In these conditions:
 - (a) the singular includes the plural and the other way round;
 - (b) the masculine includes the feminine and the other way round;
 - (c) where a law is referred to, all changes to it, and any replacements of it, are also included;
 - (d) the expressions "includes" and "including" do not limit the meaning of any other words; and
 - (e) any obligation in these conditions not to do something includes an obligation not to agree, allow, permit or acquiesce to that thing being done.
- 2.3 The headings used in these conditions are only for convenience and do not affect their interpretation.
- 2.4 These conditions are the Paragon Bank PLC Residential Mortgage Conditions (First Edition)

3. The Offer

- 3.1 The Offer sets out any circumstances where We are not obliged to make the Loan.
- 3.2 If the Interest Rate is variable it may change on or before Completion under condition 10. If this happens We will give You notice in one of the ways set out in condition 25.

4. The Legal Charge

You must sign a valid Legal Charge document / standard security giving Us a first ranking legal charge over the Property.

5. Joint and several

If there is more than one of You, Your obligations will be joint and several. This means that You will each be responsible for the full amount of the Mortgage Debt.

6. Occupying the Property

Unless the Offer states otherwise, You must occupy the Property as Your main residence on or immediately after Completion.

7. Valuations

- 7.1 The purpose of any valuation report which has been carried out on Our behalf is to help Us to decide if the Property is adequate security for the Loan.
- 7.2 We shall give You a copy of the valuation report, but this is for information only. The valuation is for Our use only. Should You require a valuation of the Property or survey on the condition of the Property, You should instruct a separate independent report at Your expense.
- 7.3 We may, if We wish, obtain revaluations of the Property from time to time during the Term. You will give Our valuer reasonable access to the Property on reasonable notice in order to carry these out. Such valuations will be at Our expense and are for Our benefit only. We may choose to disclose them to You though We are not obliged to do so. If We do, please note that they are subject to the same terms and qualifications as referred to in conditions 7.1 and 7.2 above.

8. Repayment

- 8.1 You have agreed to repay Us the Mortgage Debt by the end of the Term.
- 8.2 You agree to pay Us the Monthly Payments on the Payment Day until the Mortgage Debt has been paid.
- 8.3 The payment method for any Loan is as stated in the Offer and may be changed by the written agreement of both You and Us unless any of the events set out in condition 20.2 below has occurred, in which case We may (but will not be obliged to) change the payment method by giving You notice in one of the ways set out in condition 25. We will give You reasonable notice of any change.
- 8.4 If the payment method requires You to repay all or any part of the Mortgage Debt in a single lump sum at the end of the Term, You must make sure that You are able to do so. It is Your responsibility to ensure that the value of any repayment strategy You are relying on will be sufficient to repay the Mortgage Debt at the end of the Term and that any financial arrangements to repay the Mortgage Debt are in place and kept in force.

9. Interest

- 9.1 We will debit the Loan to the Mortgage Account (which We will open at Completion).
- 9.2 Interest will accrue daily at the Interest Rate on the Mortgage Debt (subject to condition 9.4) and will be charged to the Mortgage Account monthly in the manner set out in the Customer Guide. Payments of capital, including where included in Your Monthly Payment, will reduce the amount on which We charge interest from the date the payments are credited to the Mortgage Account.
- 9.3 If You do not pay any amount to Us when it is due (including Expenses), We may also charge interest at the Interest Rate on that amount from the date on which You should have paid it until it is paid (subject to condition 9.4).
- 9.4 We may choose to charge simple interest, or no interest, on all or any part of the Mortgage Debt. If this happens, We will give You notice in one of the ways set out in condition 25.
- 9.5 We may continue to charge interest at the Interest Rate in accordance with Your Mortgage Agreement after any court order requiring You to pay the whole or any part of the Mortgage Debt.
- 9.6 If acting as a fair and responsible lender We change Our systems and procedures, then We may change the method We use to calculate and apply interest. We will give reasonable prior notice of such change in accordance with condition 25.

10. Changes to the Interest Rate

- 10.1 If the Interest Rate is variable it will change as set out in the Offer or as set out below.
- 10.2 We may reduce the Interest Rate at any time.
- 10.3 Except to the extent stated otherwise in the Offer, We may increase the Interest Rate at any time for one or more of the following reasons:
 - (a) to reflect a change which has occurred, or which We reasonably think will occur, in Our costs of funding or in other costs outside Our reasonable control which affect Our business;
 - (b) to reflect a change in the law or any decision of the courts or any Ombudsman;
 - (c) to reflect any change in regulatory requirements or guidance.
- 10.4 In addition to Our other rights under this condition 10, We may also increase the Interest Rate to reflect the additional risk from any letting of the Property by You, either with Our consent where We give it conditional on such increase or if We subsequently find out that You have let the Property in breach of these conditions.
- 10.5 Any increase in the Interest Rate will be proportionate to the reason(s) for the change.
- 10.6 We will give You reasonable notice of any increase in the Interest Rate in accordance with condition 25.

11. Changes to the Payment Day

You or We may change the Payment Day at any time by mutual agreement. We may also change the Payment Day where this is required in order to

update or replace Our IT systems or business processes that We use for operating mortgage accounts and/or to reflect the systems of any transferee. In making any change We will act as a fair and responsible lender and give reasonable prior notice of the change in accordance with condition 25.

12. Monthly Payments

- 12.1 You must make the Monthly Payment to Us on each Payment Day.
- 12.2 You will make each Monthly Payment by Direct Debit from an account nominated by You and approved by Us or by any other method agreed by Us.
- 12.3 Any money that You pay will be treated as received by Us only when We receive the money in cleared funds.
- 12.4 For the purpose of calculating the Monthly Payment We may assume that each month is an equal 12th part of the year.
- 12.5 After Completion, We may require You to make an adjusted payment to reflect the period between Completion and the end of the first month of the Term. This may be more or less than Your usual Monthly Payment. We will write to You to let You know the exact amount involved after Completion and collect it by Direct Debit. Please refer to the Customer Guide for more details.

13. Changes to the Monthly Payment or the Term

- 13.1 Provided We act in a fair and responsible way, We may from time to time change the amount of Your Monthly Payments or the Term to reflect:
 - (a) changes to the Interest Rate;
 - (b) changes to the Mortgage Debt (including any new amounts which We lend you, underpayments, part settlements, overpayments and Expenses applied to the Mortgage Account);
 - (c) the withdrawal or granting of any concession;
 - (d) changes to make sure that the Mortgage Debt is fully repaid with interest by the end of the Term;
 - (e) changes to the way the Property is insured; and
 - (f) mutually agreed changes to the Monthly Payments.
- 13.2 We will tell You of any changes to the Monthly Payment or the Term in one of the ways set out in condition 25. We will give You reasonable prior notice of any change. Where all or part of Your Loan is on a repayment basis, any notice We give You will tell whether the change in Monthly Payment or Term might mean there will be a balance on Your Mortgage Account at the end of the term because the new Monthly Payments will not be enough to clear all the Mortgage Debt (or the repayment part of it) by the end of the Term.

14. Early repayment

- 14.1 You may repay all of the Mortgage Debt at any time before the end of the Term. The Offer describes whether any Early Repayment Charge will be payable.
- 14.2 You may make partial early repayments and/or overpayments in accordance with the Offer. The Offer describes whether any Early Repayment Charge will be payable. Please refer to the Customer Guide for more information.

15. Application of payments

We can apply any payment made by You against the Mortgage Debt which We, acting reasonably, decide (subject to any legal or regulatory requirements).

16. Expenses

- 16.1 You must pay Our Expenses in full when We ask for them or We may charge them to the Mortgage Account when they are incurred.
- 16.2 If We charge Expenses to the Mortgage Account after Completion, they will form part of the Mortgage Debt and will bear interest at the Interest Rate from the time and in the manner set out in the Customer Guide, or in any notice given to you in accordance with condition 25, until the date when they are paid.
- 16.3 Where it is reasonable for Us to do so, We will give You prior notice of Our intention to charge Expenses to the Mortgage Account.
- 16.4 A copy of the current Tariff is provided with the Offer. You may also obtain a free copy of the Tariff at any time on request or by visiting Our website. We will also send You a copy of the Tariff each year if there have been any changes to it.
- 16.5 We may change any of the fees shown in the Tariff (including introducing a new fee) to reflect, in a proportionate manner, changes We reasonably incur or reasonably anticipate incurring in Our administration costs and charges for doing work or providing services (including but not limited to, costs resulting from changes in law, regulation, decisions of courts or an Ombudsman, reasonable changes in Our systems or those of a Transferee and reasonable changes in costs We pay to third parties).
- 16.6 We may add new fees to the Tariff to reflect reasonable and proportionate changes in the nature of the services We provide.

16.7 If We increase a fee, We will ensure that the increase is no greater than is justified by the reason or reasons for making it.

17. Insurance

- 17.1 The Property must be insured at Your expense from Completion against all loss and damage and covering the risks set out in condition 17.7. The Insurance must be maintained either:
- (a) by You; or
 - (b) by a landlord or other party where required under the terms of a lease.
- 17.2 Where You, or a landlord or other party, insures the Property, You must ensure (or where the landlord or other party insures, do Your best to ensure) that cover is maintained throughout the Term and that:
- (a) the minimum amount of cover is the Rebuilding Cost of the Property;
 - (b) Where the insurer consents, the insurance is in joint names of You and Paragon Bank PLC or the interest of Paragon Bank PLC is noted under the policy;
 - (c) You provide Us with reasonable details of the Insurance and evidence satisfactory to Us (acting reasonably) that it is in force whenever We ask You to.
- 17.3 If the Property is not insured in accordance with the requirements of this condition 17, We may (but are not obliged to) insure it on such terms and with such insurer (or effect alternative arrangements) as We reasonably require and the reasonable cost of this will form Expenses for which You are responsible.
- 17.4 You will hold any money You receive under the Insurance on trust for Us and promptly pay it to Us.
- 17.5 We have full power to settle and adjust claims with the insurer under the Insurance.
- 17.6 Any money payable under the Insurance will be used as We reasonably decide after consulting with You:
- (a) to make good the loss or damage in respect of which the money is payable; or
 - (b) to reduce or repay the Mortgage Debt (and if there is a surplus after the Mortgage Debt has been paid off, We may forward it to someone who has a second charge on the Property or another person who may be entitled to it).
- 17.7 Any insurance under this condition 17 must cover the following risks:
- (a) fire, explosion, lightning or earthquakes;
 - (b) bursting, leaking or overflow of water tanks, pipes or apparatus;
 - (c) storm or flood;
 - (d) subsidence, heave or landslip;
 - (e) impact by vehicles, trains, aircraft or animals;
 - (f) riot, civil commotions, labour and political disturbances, vandalism and acts of malicious persons.

18. The Legal Charge

- 18.1 The Legal Charge secures the repayment of the Mortgage Debt and the rest of the Secured Liabilities.
- 18.2 Section 93 of the LPA does not apply to the Legal Charge. This means that if You want to repay the Mortgage Debt, We can require You to repay any other loan or liabilities You have with Us.
- 18.3 The Legal Charge is a continuing security for the Secured Liabilities. This means that We do not have to discharge the Legal Charge after You have paid the Mortgage Debt until You have also repaid the rest of the Secured Liabilities.
- 18.4 Under the Legal Charge, You charge to Us:
- (a) any rights You have under any agreement or guarantee relating to the Property;
 - (b) any rights You have to claim damages in relation to the Property (such as a claim arising from a mis-representation about the value of the Property or against someone who has damaged the Property) or in relation to the way the Property was built;
 - (c) any rights You have to shares in a management or residents' company or similar association because of Your interest in the Property;
 - (d) all easements, servitudes, wayleaves and rights which benefit the Property;
 - (e) any right You may have to compensation or insurance money payable in respect of the Property;
 - (f) any right You may have to extend the term of any lease of the Property or to take a new lease or acquire the freehold, heritable, ownership or other such interest in the Property; and
 - (g) any leasehold, freehold or heritable interest in the Property or any rights as tenant or owner of the Property which You acquire after the date of the Legal Charge.
- 18.5 You will take any action that We reasonably request You to take in respect of the Property Rights. If We request, You will sign a document assigning any of these Property Rights to Us as security for the Secured Liabilities. This document will be prepared by Us and will incorporate these conditions.

- 18.6 If the Property is sold as security and the net proceeds are not enough to repay all of the Mortgage Debt, You will pay the shortfall to Us immediately. Unless We notify You otherwise, any shortfall will bear interest at the Interest Rate until the Mortgage Debt is paid in full. Interest will be charged at the Interest Rate after any court order requiring You to pay the whole or any part of any shortfall.

19. The Property – Your duties

- 19.1 You must do the following:
- (a) unless the Offer states otherwise, occupy the Property as Your main residence;
 - (b) keep the Property in a good state of repair;
 - (c) comply with any leases, restrictions or other obligations which apply to the Property;
 - (d) comply with any statutory obligations which apply to the Property;
 - (e) immediately provide Us with a copy of any notice or other document which You receive in relation to the Property (including any notice from Your landlord that You have breached obligations under Your lease of the Property);
 - (f) allow Us or any of Our agents (after giving You reasonable notice) to enter the Property, at a reasonable time, to inspect it and/or to rectify any failure by You to comply with Your obligations under the Mortgage Agreement; and
 - (g) ensure that any building or improvement work is properly carried out in accordance with all necessary consents and without delay and notify Us immediately on receipt of any notices alleging breach of consent.
- 19.2 You must not without Our prior written consent (which may be in the Offer):
- (a) permit the Property to be used for any trade or business;
 - (b) grant or agree to grant a charge, lease, licence or any other rights or interest in or over the Property;
 - (c) carry out or permit any structural alterations or additions to the Property or the demolition of the Property;
 - (d) lease, let, licence or part with possession of the Property or any part of it;
 - (e) allow anyone to acquire rights in the Property;
 - (f) apply under any legislation for any grant in respect of the Property;
 - (g) apply to extend any lease under which You hold the Property or to buy the freehold of the Property; or
 - (h) do anything at the Property that would enable the insurer to avoid its liability for Insurance of the Property or to increase the costs of Insurance.
- 19.3 You agree that if You acquire the freehold or heritable interest in the Property or any extended lease of the property, the interest You have acquired will be subject to a charge in Our favour and, at Our request, You will execute at Your own cost a legal charge or standard security of that interest in a form approved by Us.
- 19.4 If We or Our agents enter the Property in accordance with Our rights under this condition 19, or any statutory notice that may be served on Us, this does not mean We have accepted the responsibilities of a mortgagee or heritable creditor in possession, owner or occupier.
- 19.5 Where Our consent is required to anything set out in this condition 19, this will not be unreasonably withheld or delayed. We may charge a fee as described in the Tariff for considering Your request for consent, whether or not We give consent.
- 19.6 If You do not keep to these conditions, We can do anything that You should have done on Your behalf. If We do, You will be responsible for any Expenses We incur.

20. Default

- 20.1 We will have the power to sell the Property given to Us by Section 101 of the LPA or the Conveyancing and Feudal Reform (Scotland) Act 1970. This power will be available to Us from the date of the Legal Charge but We will only use it as set out in conditions 20.2 - 20.4 below.
- 20.2 If any of the following happens, We may require You to repay the Mortgage Debt at once:
- (a) You fail to make any two or more Monthly Payments (whether consecutive or not) in full when due;
 - (b) You fail to pay any other amount which You owe in respect of the Mortgage Debt within two months of it becoming due;
 - (c) You break any of Your other obligations to Us under the Mortgage Agreement in a manner which has or is likely to have a serious effect on Us or Our security and such breach either cannot be remedied or is not remedied within such reasonable period as We allow;
 - (d) a bankruptcy order is made against any of You, or any of You applies for an interim order or enters into any composition or arrangement with or for the benefit of creditors generally (or anything equivalent happens in any other jurisdiction);
 - (e) a mortgagee, heritable creditor or other person takes proceedings for possession of the Property or to realise an interest in it or otherwise to enforce an interest or claim;
 - (f) the Property is sold, abandoned or compulsorily purchased;

- (g) We become aware of any misrepresentation in, or omission from, any information supplied to Us about You or the Property and that misrepresentation or omission has or would have had a material adverse effect on Our decision to lend to You; or
- (h) You die, where You are the sole Borrower or the sole remaining Borrower if there is more than one Borrower.
- 20.3 If any of the events set out in condition 20.2 above has occurred and We demand repayment of the Mortgage Debt, We may do any of the following things:
- (a) require You to leave the Property so that We may take possession of the Property or, if the Property is let, collect the rent and use it towards paying the Mortgage Debt;
 - (b) sell, agree to sell, or grant an option over the Property and any other security for the Mortgage Debt (such as any of the Property Rights) on any terms We reasonably decide, using the power of sale conferred by (i) the LPA as varied by these conditions and the restrictions on the power of sale in Section 103 of the LPA will not apply and (ii) the Conveyancing and Feudal Reform (Scotland) Act 1970;
 - (c) exercise all the other powers conferred on mortgagees by the LPA or heritable creditors by the Conveyancing and Feudal Reform (Scotland) Act 1970;
 - (d) vary, end, renew or accept surrenders or renunciations of leases or tenancies of the Property:
 - with or without a premium or other compensation or consideration including the payment of money to a lessee or tenant on a surrender/renunciation;
 - with any rights relating to other parts of the Property;
 - containing any covenants on the part of Us or anyone else;
 - generally on terms that We think fit;
 - (e) make any arrangements or compromises about any lease of the Property, any other security for the Mortgage Debt, any covenants, obligations, conditions or restrictions or provisions relating to the Property or anything else;
 - (f) grant or agree to grant a lease or tenancy of the whole or any part of the Property (and the restrictions on granting leases in Section 99 of the LPA do not apply to Us), in relation to properties located in England and Wales;
 - (g) carry out repairs, improvements, alterations or additions to the Property;
 - (h) apply for any planning or other consents;
 - (i) as Your agent (and at Your cost which may be added to the Mortgage Debt), remove, store, sell, rent or in any other way deal with any of Your furniture, goods or animals or those of any other person staying in the Property after We have done Our best to give written notice to You requiring them to be removed. The sale proceeds of such furniture, goods or animals will belong to You. We will not be responsible for any loss or damage caused by exercising this power unless We failed to take reasonable care in dealing with the furniture, goods or animals.
- 20.4 Any costs and Expenses We incur in doing any of the things set out in condition 20.3 will be added to the Mortgage Debt and, unless We tell You otherwise, interest will be charged on them.
- 20.5 In doing any of the things set out in condition 20.3 We can employ and pay agents to carry out any work or activity on Our behalf and any costs and Expenses We incur in doing so will be added to the Mortgage Debt and interest will be charged on them.

21. Management companies

- 21.1 If You hold a share in a management or residents' company or similar association because of Your interest in the Property, You will, if so requested by Us, deposit any share certificate with Us together with a signed share transfer form with the name of the person to whom it is transferred left blank.
- 21.2 We will be entitled to do any of the following things on Your behalf:
- (a) Transfer the share to any person to whom We have sold the Property under Our power of sale and receive any consideration for that Transfer;
 - (b) exercise any voting rights where We have taken possession of the Property.

22. Power of attorney

- 22.1 For the purposes of securing Our interest in the Property, You appoint Us to be Your attorney. The attorney will be legally entitled to do things on Your behalf and the attorney's acts will bind You as though You had done them.
- 22.2 You appoint Us to be Your attorney to do the following things in Your name and on Your behalf:
- (a) to execute any document that is required to rectify any defect in Your title to the Property or in Our title to the Mortgage Agreement;
 - (b) to execute any document that is required to pass good title to a purchaser or lessee of the Property (or any other security for the Secured Liabilities);
 - (c) to execute any document that You have agreed to execute but have failed to do so;

- (d) to Transfer to a purchaser any shares that You hold in a management company by virtue of owning the Property;
- (e) to receive any money payable to You in connection with the Property or any Insurance of it;
- (f) to pursue any actions in respect of any Property Rights.

- 22.3 Under the power of the attorney, We may execute any document or do anything that You are required to do under these conditions.
- 22.4 We will be entitled to delegate Our power of attorney to third parties, including Our employees, where this is reasonable in order to help the exercise of Our powers.
- 22.5 We will not be liable for anything that is done under the power of attorney unless We have not used reasonable care in exercising the power.
- 22.6 You may not revoke this power of attorney until the Secured Liabilities have been paid in full.

23. Set-off

We may set-off any money We owe You on the Mortgage Account or any other account held in Your name or that is otherwise due and payable by Us to You in any way against any of the Mortgage Debt that is due and payable. If We set-off any money in a current, saving or investment account then no further interest or bonus will be payable on such money.

24. Transfer

- 24.1 We can make a Transfer of all or any of Our rights under the Mortgage Agreement at any time.
- 24.2 If We make a transfer of Our rights, the Transferee can exercise Our rights and enforce Your duties to the same extent as We could before the Transfer. Any Transfer will not reduce Your protections or rights.
- 24.3 You have consented to Transfers by Us and We can make a Transfer of Our rights without any further consent from You.
- 24.4 We may provide any actual or potential Transferee, or any rating agency or any advisers of any of the foregoing, with any information about You, the Mortgage Agreement, the Property and any other security held by Us or the conduct of the Mortgage Account.
- 24.5 You may not transfer Your rights or duties under the Mortgage Agreement.

25. Notices

- 25.1 If these Mortgage Conditions require notice to be given by Us to You, it may be given by:
 - (a) first or second class post addressed to You at the Property or such other correspondence address within the United Kingdom that We have agreed; or
 - (b) email to such email address as We and You may from time to time agree.
- 25.2 Anything sent by post will be deemed to have been received by You by noon on the working day after it is posted (in the case of first class post) or the second working day after it is posted (in the case of second class post), even if it never arrives or is returned undelivered and notwithstanding the death of the addressee. Anything sent by email will be deemed received by You on the working day after dispatch, provided it is not returned to Us as being undelivered to the relevant email address.
- 25.3 If there is more than one of You, a notice addressed to just one of You will count as a notice to all of You.
- 25.4 Where We think it is reasonable for Us to do so, as an alternative to notice under condition 25.1 We may give notice by advertising the notice in at least two daily newspapers chosen by Us or on Our website (in which case the notice is to be treated as given on the first date on which it is published in each of the newspapers or appears on Our website).

26. Mistakes

- 26.1 If We miscalculate the amount payable by You to Us or make any other mistake about the Mortgage Agreement or the Mortgage Debt this will not affect any of Our rights, including Our ability to claim the right amount from You either before or after any security has been released together with interest at the Interest Rate until payment.
- 26.2 A receipt or letter saying the Mortgage Debt has been repaid in full will not prevent You from being personally liable if it is later found out that the amount of the Mortgage Debt was understated by mistake.
- 26.3 This condition 26 does not affect any legal rights that You have as a result of the Mortgage Debt being understated.

27. Changes

- 27.1 As well as Our rights under conditions 3, 9, 10, 11, 13 and 16 to vary certain specific matters, We can change the remainder of these conditions at any time:
 - (a) in a manner or to an extent that We believe, acting reasonably, is not to Your material disadvantage; or
 - (b) to the extent required to comply with law or the requirements of Our regulators; or

(c) to take account, in a proportionate way, of changes in general banking or mortgage lending practice.

27.2 Where We make a change under condition 27.1, We will where practicable give reasonable prior notice. If We change these conditions in accordance with condition 27.1(b) or 27.1(c) and the change is to Your material disadvantage, You may repay the Mortgage Debt with no Early Repayment Charge if You do so within 90 days of receipt of notice of the change.

28. Waiver

28.1 If We decide to relax any of these conditions, or not to enforce any of Our rights or powers under them, this will not affect Our rights or powers in any way.

28.2 If You break any of these conditions and We agree to take no action, We will still be able to take action if You break any of these conditions in the future.

29. Severance

Each term in these conditions, or part of each of them, is separate from the others. If We cannot legally enforce any particular condition (or part of a condition) this will not stop Us from enforcing the other conditions (or the remainder of the condition).

30. Third parties

No one will have any rights under the Mortgage Agreement because of the Contracts (Rights of Third Parties) Act 1999.

31. Personal data

We will use any information You provide to us, or that We obtain or generate relating to You in connection with Our dealings with You, in accordance with the customer declaration form You have signed and returned to Us as part of the application documents, as well as any declaration You make or consent You have given to Us from time to time.

32. Entire agreement

The Mortgage Agreement contains all terms agreed between You and Us relating to a Loan.

33. Complaints

We always try to provide an excellent standard of service but if You have cause to make a complaint, You can contact Us by phone, in person or in writing either by post or email. Details of Our complaints handling procedures can be obtained from www.paragonbank.co.uk or telephone 0345 149 7775.

Any complaints We cannot resolve may be referred to the Financial Ombudsman Service.

Postal address: The Financial Ombudsman Service, Exchange Tower, London E14 9SR

Telephone number: 0300 123 9 123

Switchboard: 020 7964 1000

From outside the UK: +44 20 7964 1000

Website: www.financial-ombudsman.org.uk/consumer/complaints.htm

34. Law

These conditions are governed by the laws of England and Wales, or where the Property is located in Scotland, Scotland. You agree that the courts of England, Wales and Scotland have exclusive jurisdiction.