

Mortgage Loan

Terms and Conditions

September 2022 (LIBI)

Section A

Introduction

1. Words with a particular meaning

- 1.1 Certain words and phrases in these **terms and conditions**, the **illustration** and the **mortgage offer** have a particular meaning. The words and phrases are printed in bold and their meanings are contained in Section G.
- 1.2 In these **terms and conditions**, the **illustration** and the **mortgage offer** the words “we”, “us” and “our” mean Handelsbanken plc (which includes our successors, transferees and assigns) and the words “you” and “your” mean the person(s) to whom the **mortgage offer** is addressed.

2. Privacy Notice

Please read our Privacy Notice which was provided to you with your application documents (if you applied for your mortgage from 25 May 2018) and is available online at www.handelsbanken.co.uk/privacy which explains the personal information that we collect from you and how we use it, together with a summary of your rights under the relevant data protection laws.

Please contact us using the options set out in our Privacy Notice if you have any questions at all.

Section B

The Different Types of Mortgage

3. Types of mortgage

There are two types of **mortgage** - (1) **repayment mortgage** and (2) **interest only mortgage**. The type of **mortgage** that we have offered to you is shown in the **illustration** that we have provided to you and which is referred to in your **mortgage** offer.

3.1 repayment mortgage

- 3.1.1 If the **mortgage** described in the **illustration** is a **repayment mortgage**, this means that you will make regular payments to us of capital and **interest** so that the **mortgage** is repaid in full by the end of the term of the **mortgage** as described in the **illustration**. We will calculate the amount that you pay us regularly to cover the **interest** and capital to achieve this.
- 3.1.2 The payment that you make to us on each **payment date** will include the **interest** on the outstanding amount of the **mortgage** for each **payment period** and a contribution towards the repayment of the capital of the **mortgage**. In the early years of the **mortgage**, the proportion of your payments which make up repayment of the capital will be relatively small (most of your payment being **interest**) whilst in the later years, the repayments of capital will become greater (with the amount of your payments which is **interest** being smaller as the outstanding amount of the **mortgage** is gradually reduced).
- 3.1.3 If the **mortgage** includes an **interest** only period, then during the **interest** only period each payment that you make to us will consist of the **interest** only. This means that during the **interest** only period the capital amount that you owe to us will not reduce (unless you also made an early repayment in respect of the capital of the **mortgage**).
- 3.1.4 You should note that we will need to recalculate the payment each time that the **interest rate** is changed.

3.2 interest only mortgage

- 3.2.1 If the **mortgage** described in the **illustration** is an **interest only mortgage** this means that you will make regular payments to us of **interest** but not capital during the term of the **mortgage** as described in the **illustration**. You will have to repay all of the capital at the end of the term of the **mortgage** as described in the **illustration**. If the end of the term of the **mortgage** is not the same date as the final regular payment date, then at the end of the term of the **mortgage** you will also need to pay the **interest** payable for the period between the final regular payment date and the date that is the end of the term of the **mortgage**. It is essential that you have a suitable investment or repayment strategy available from which to repay the capital of the **mortgage** at the end of the term.
- 3.2.2 If your investment is a form of insurance or assurance policy, you should make regular payments to your investment and you need to ensure that it will be sufficient to repay the **mortgage** in full at the end of the term. During the term of the **mortgage** we will ask you to provide evidence of your investment; we will ask you to provide this evidence more than once if we consider that it is reasonable for us to do so. The evidence that we may ask for may include a pension valuation, share portfolio valuation report or other suitable evidence of the value of your investment.
- 3.2.3 Instead of an investment, you may have a repayment strategy to repay the **mortgage** in full at the end of the term. You will need to ensure that your repayment strategy will be sufficient to repay the **mortgage** in full at the end of the term. During the term of the **mortgage** we will discuss your repayment strategy with you; we will do so more than once if we consider that it is reasonable for us to do so.
- 3.2.4 If we reasonably believe that there may be a shortfall between the amount of the investment or the amount that may be recovered from your repayment strategy and the amount you owe to us, we will discuss this with you and may either ask you to (i) make additional contributions to the investment, (ii) obtain an additional investment or (iii) switch to a **repayment mortgage**.
- 3.2.5 If we provide an **interest only mortgage** to you after you have told us about your investment or repayment strategy, this does not mean that we confirm that the investment or repayment strategy will be sufficient to repay the **mortgage** in full at the end of the term. If, at the end of the term of the **mortgage**, your investment or repayment strategy is not sufficient to repay the **mortgage** in full, you will need to make up the shortfall.
- 3.2.6 We may ask you to grant security over your investment.

4 Switching the type of mortgage

- 4.1 After your first **payment date**, you may switch from one type of **mortgage** to another type of **mortgage** if we agree. For example you may have a **repayment mortgage** and ask to switch to an **interest only** mortgage. We will consider your request to switch to a different type of **mortgage** and may agree to your request provided that you first satisfy our reasonable requirements (including the completion of any documentation). You may have to pay an early repayment charge - the **illustration** states if this is required.
- 4.2 We reserve the right to ask you to switch to a **repayment mortgage** at any time in accordance with these **terms and conditions**.

Section C

The Mortgage and Repayments

5. When you may start to use the mortgage

Provided that we have received the information and documents described in section B of the **mortgage offer** and are satisfied with them, you may draw down or start to use the **mortgage** within the timescale for drawdown or utilisation of the **mortgage** described in the **mortgage offer**.

6. Regular payments

- 6.1 Soon after the start of the **mortgage**, we will write to you with details of the payments to be made under the **mortgage** agreement and the dates when we will collect them.
- 6.2 If the **illustration** states that we will provide the **mortgage** on the basis of a reduced or **fixed rate** of **interest** for a certain period of time, the **payment date** may be linked to the period of time for which the reduced or **fixed rate** of **interest** applies.
- 6.3 If any **payment date** that we specify is not a **business day** then in respect of any **mortgage**, the **payment date** will be the following **business day**. If your **mortgage** is a **repayment mortgage** then the proportion of your payment which is allocated to the capital will be adjusted to allow for the additional interest payable in that **payment period** which will have an impact on the total **interest** payable under the **mortgage**. If your **mortgage** is an **interest only mortgage** then the amount of your payment will be adjusted to cover the additional interest payable in that **payment period**.
- 6.4 The **payment date** may be changed in accordance with these **terms and conditions** (see clauses 14 and 16).
- 6.5 We may contact you at any time if we think that the payments that you are making may not be sufficient to repay the full amount that you owe us by the end of the term of the **mortgage**, so that we can discuss with you possible changes to the amount that you are repaying or, if appropriate, the term of the **mortgage**.

7. Application of payments

- 7.1 We can apply any payment made by you against any part of the amount you owe us on the **mortgage** which we reasonably decide (subject to any legal or regulatory requirements). Our current policy is to apply amounts:
 - 7.1.1 firstly to any arrears of regular payments;
 - 7.1.2 then to pay any regular payment due when you make the payment;
 - 7.1.3 then to any other fees and charges due and unpaid;
 - 7.1.4 with remaining amount being used to pay outstanding capital.
- 7.2 This order may change in accordance with our reasonable requirements. Any such change must not be detrimental to you.

8. Interest

- 8.1 We will calculate **interest** on the balance of the amount that you owe to us under the **mortgage** at the end of each day. **Interest** will be payable on the amount that you owe to us in arrears on each **payment date**.
- 8.2 The basis on which **interest** is calculated on the **mortgage** is stated in the **illustration**.
- 8.3 **Base rate:** If the **illustration** states that the **interest** that you pay is linked to a **base rate** you will pay **interest** at an annual rate which is the aggregate of (1) the **margin** and (2) the **base rate** as that rate fluctuates from time to time. The circumstances in which we may increase the **margin** or change the **base rate** are stated in the **mortgage offer**.
- 8.4 **Standard variable rate:** If the **illustration** states that the **interest** that you pay is linked to a **standard variable rate** you will pay interest at an annual rate equivalent to the **standard variable rate** as that rate fluctuates from time to time. The circumstances in which we may change the **standard variable rate** are stated in the **mortgage offer**.
- 8.5 **Fixed Rate:** If the **illustration** states that the **interest** that you pay is linked to a **fixed rate** you will pay **interest** at an annual rate equal to the aggregate of that **fixed rate** and the **margin**. The circumstances in which we may increase the **margin** are stated in the **mortgage offer**.

9. Our costs and expenses

- 9.1 You must pay to us all reasonable fees, costs and expenses that we reasonably incur in connection with the **mortgage** when we ask you to do so. If you do not pay the fees, costs and expenses on request or in the manner set out in the **illustration** then any fees, costs and expenses will be debited to your account and **interest** will be payable on them.
- 9.2 The fees, costs and expenses that we incur may include:
- 9.2.1 administration costs and any other fees and expenses incurred by us in connection with giving or refusing consent to any request you make to us in connection with the **mortgage** including the basis for calculation of the **interest rate** or the type of **mortgage**. The amount of the administration costs that we charge will be equal to our reasonable estimate of the average costs we incur in carrying out the activity for which the costs are charged. Our standard administration fees are set out in the mortgage tariff included in the **mortgage offer**. We will send you an updated copy regularly, when changes are made to it;
 - 9.2.2 responding to any request from you to access the **information** that we hold about you;
 - 9.2.3 legal fees (including disbursements and registration fees) in connection with the preparation, negotiation, execution, completion and registration of this agreement, the **security documents** and any other documents required in connection with the **mortgage**;
 - 9.2.4 our costs (and, if the **property** is in England or Wales, the costs of any receiver appointed by us) in connection with protecting or preserving the security created under the **security documents**, recovering any sum that you owe to us, enforcing our rights under the **security documents** and raising or defending any legal proceedings in connection with the **mortgage** or any **security documents**;
 - 9.2.5 costs and expenses of exercising any of our rights and powers in connection with the **mortgage** arising either by law or under this agreement;
 - 9.2.6 the costs of the valuation and any revaluation that we may ask for or obtain under this agreement;
 - 9.2.7 the costs of insuring the **property**;
 - 9.2.8 the fees set out in the **illustration**;
 - 9.2.9 the fees set out in the mortgage tariff included in the **mortgage offer** (or any updated mortgage tariff that we provide to you);
 - 9.2.10 any early repayment charge that you have to pay under this agreement;
 - 9.2.11 value added tax that applies to any of the above.
- 9.3 Any payment that you make to us under clause 9 will be made in the same currency as the **mortgage**, unless we agree otherwise.

10. Revaluation of the property

We reserve the right to obtain at your cost an up to date valuation of the **property**. Any valuation will be carried out by a valuer instructed by us. We may obtain a valuation of the **property** if we, acting reasonably, consider that the value of the **property** may be significantly less than the value immediately prior to the date we first provided the **mortgage** to you and we reasonably consider that it is necessary for us to establish the current value of the **property**.

11. Early repayment charge

- 11.1 If you intend to repay the whole **mortgage** early you may do so at any time by paying us the full amount that you owe us under this agreement (including **interest** and any fees, costs and expenses payable under clause 9) and any early repayment charge described in the **illustration**. Before the date when you intend to repay the **mortgage**, we will tell you how much you need to pay. This will include **interest** payable by you up to the date of repayment, in addition to any early repayment charge.
- 11.2 If you intend to repay part of the **mortgage** early you may do so at any time by paying us an amount representing such partial payment and any early repayment charge described in the **illustration** together with any fees, costs and expenses payable under clause 9. Each partial **repayment** must not be less than £500.00 and it must not exceed the capital amount then outstanding under the mortgage. If you repay part of the **mortgage** early we will apply the amount repaid to reduce the balance of the capital amount that you owe to us and we will adjust your regular repayments in line with the existing term of the **mortgage**. We will automatically change your next regular payment to take into account the early repayment unless the payment is made so close to the next **payment date** that it is not practicable for us to change the amount of the payment for that **payment date**, in which case the regular payment will be changed from the following **payment date**.
- 11.3 If you want to switch your **mortgage** to a new **interest rate** with us within the early repayment charge period described in the **illustration** you may do so at any time, but this will be treated as a repayment of the **mortgage** under condition 11.1 and you may need to pay us an early repayment charge as detailed in the **illustration**.

12. Capital payment holidays

If you have a **repayment mortgage**, we may agree that you can miss one or more payments of capital due to be made under your **mortgage**. This is known as a capital payment holiday. If you want to take a capital payment holiday you must contact us at least 31 days before the proposed start of the capital payment holiday. We will consider your request for a capital payment holiday and may agree to your request provided that you first satisfy our reasonable requirements.

Section D

Changes We May Make That Affect Your Payments

13. Changing payments

- 13.1 Provided that we give you notice in accordance with clause 16, we may change the amount of the regular payment that you make to us at any time for any of the following reasons:
- 13.1.1. to reflect a change in the **interest rate**; or
 - 13.1.2. to reflect a change in the **interest rate** following the end of the benefit period described in the **illustration**; or
 - 13.1.3. to provide for the payment of any fees, costs or expenses with **interest** that are payable under this agreement (see clause 8); or
 - 13.1.4. to reflect any change in the term of the **mortgage** or the type of the **mortgage** which is agreed between you and us.

14. Changing the payment date

- 14.1 Provided that we give you notice in accordance with clause 16, we may change the date on which you make payments to us to reflect:
- 14.1.1 the **payment date** which applies to our other borrowers or to those of them who have borrowed money from us on terms similar to the terms which apply to the **mortgage**; or
 - 14.1.2 a change in the computer systems we use to run our mortgage lending business; or
 - 14.1.3 a change in the terms on which we raise the money for our mortgage lending business; or
 - 14.1.4 changes in the law, regulatory requirements or any code of practice relevant to our mortgage lending business.
- 14.2 After the first **payment date**, you may write to us to request a change in the **payment date**. We need to receive your written notice at least twenty one days before the next **payment date**. Then, unless the change would be inconsistent with our administrative or funding requirements as described in clause 14.1, we will make the requested change with effect from the month following the month in which we receive your request. The **interest** that you pay on the first new **payment date** will be adjusted to take account of the change.
- 14.3 A change in the **payment date** may result in a reduction of the number of payments you will make during the term of the **mortgage** as described in the **illustration**.

15. Changing the interest rate

We may make changes to the **interest rate** that applies to the **mortgage** at any of the times and for any of the reasons set out in the **mortgage offer**.

16. Notice of changes to interest rate, margin, payment amount or payment date

- 16.1 If we (i) change the **interest rate** that applies to the **mortgage** (including by changing the **margin** or any discount), (ii) change the amount of the regular payment or (iii) change the date on which you make the regular payment to us, we will give you reasonable notice of any such change.
- 16.2 If we tell you that the amount which we will collect under a direct debit mandate is to change, this will be our notice to you of a change in the amount of the regular payment.

17. Life cover

If it is a requirement of the **mortgage offer** that you obtain a life assurance policy and provide security over the life assurance policy to us as security for repayment of the **mortgage**, you must do so. Unless we agree otherwise, you must maintain the life assurance policy for the term of the **mortgage** and must not allow the life assurance policy to lapse or otherwise cease to be in place without obtaining a replacement life assurance policy over which security is granted in our favour.

Section E

Actions We May Take If You Do Not Do What You Agree To Do In This Agreement

18. Default - Our rights and powers

- 18.1 If any of the events mentioned at clause 18.3 below happen, we may ask you to repay immediately all of the **mortgage** or any part of it, together with **interest**, fees, costs, expenses and any other sums due by you to us under this agreement. If we do so, we will no longer provide the **mortgage** to you.
- 18.2 If we ask you to repay immediately all sums borrowed or due under any other agreement we have with you or with any of you, we may ask you to repay immediately all of the **mortgage** or any part of it, together with **interest**, fees, costs, expenses and any other sums due by you under this agreement).
- 18.3 The events are:
- 18.3.1 you have not paid an amount equivalent to two or more of the regular payments you owe to us under this agreement; or
 - 18.3.2 the **mortgage** is not repaid in full at the end of the term of the **mortgage**; or
 - 18.3.3 you breach any of the terms of this agreement or any of the **security documents** (including the **mortgage deed terms and conditions**) and have failed to remedy the breach within a reasonable time of us requesting that you do so, and we reasonably consider that this materially affects our interests under this agreement or any of the **security documents**; or
 - 18.3.4 this agreement or any of the **security documents** is terminated, or we discover that any of them is invalid, not binding or unenforceable at any time; or
 - 18.3.5 you made a false statement to us when you applied for the **mortgage** which we reasonably believe would have made a significant difference to our decision to provide the **mortgage** to you under this agreement; or
 - 18.3.6 you are convicted for fraud or an offence involving dishonesty; or
 - 18.3.7 an injunction, interdict, freezing order or other court order is obtained by any person against you or your assets and we reasonably consider that this materially affects our interest under this agreement or any of the **security documents**; or
 - 18.3.8 you die or become incapable of managing your affairs (provided that, if there is more than one of you, we will only exercise our rights under clause 18.1 or clause 18.2 if all of you die or become incapable of managing your affairs); or
 - 18.3.9 any money that you borrow from someone else, or any liability that you have under any other arrangement that is similar to borrowing, or any liability that you have under a guarantee or indemnity or any other obligation for the payment of money becomes payable and is not paid when due and we reasonably consider that this materially affects our interests under this agreement or any of the **security documents**; or
 - 18.3.10 you become insolvent, bankrupt or are sequestrated or grant a voluntary trust deed for your creditors or any similar proceedings occur; or
 - 18.3.11 any person who has guaranteed to pay us all or any part of the **mortgage** or to carry out any of your obligations under this agreement or who has entered into a **security document** in respect of your obligations to us under this agreement terminates the guarantee or the **security document** or if for any reason the guarantee or the **security document** becomes unenforceable or invalid; or
 - 18.3.12 any of the events described above affects any person (or their property) who has guaranteed to pay us all or any part of the **mortgage** or to carry out any of your obligations under this agreement or who has entered into a **security document** in respect of your obligations to us under this agreement; or
 - 18.3.13 there is a defect in the title to the **property** not disclosed to us prior to the first date on which we provided the **mortgage** to you; or
 - 18.3.14 the **property** is significantly damaged or is destroyed or is abandoned; or

- 18.3.15 any compulsory purchase order is made over the **property** or any part of it; or
- 18.3.16 if any valuation of the **property** or any specialist report received by us in connection with the **property** sets out that works described in the valuation of the **property** or any specialist report are required in respect of the **property**, (i) if such works are not carried out within six months of the first drawdown/utilisation of the **mortgage** and (ii) if a copy of the warranty or guarantee in respect of such works is not provided to us within 3 months of the date of completion of the required works; or
- 18.3.17 if it is a requirement of the **mortgage offer** that you obtain a life assurance policy and grant security over the life assurance policy in our favour, if the life assurance policy lapses or otherwise ceases to be in place (and is not replaced) without our consent;
- 18.3.18 you lease or let out the **property** without our consent or, if the terms of the **mortgage offer** prohibit you from living in the **property** and require you to let the **property**, if you let the **property** in a way that is not consistent with the terms of the **mortgage deed terms and conditions**;
- 18.3.19 if you are trustees of a trust:
- 18.3.19.1 if a receiver, administrator or similar officer is appointed in respect of the whole or any part of the assets of the trust or any person with security over the whole or any part of the assets of the trust takes possession of all or any part of the assets of the trust, or any person exercises or attempts to exercise any power of sale in relation to all or any part of the assets of the trust;
- 18.3.19.2 if an interim receiver is appointed of any property of the trust or if the trust makes any arrangement or composition with its creditors generally;
- 18.3.19.3 if a judgement or order of any court is made against the trust for payment of any sum of money and is not complied with within 14 days or if a writ of execution is issued against, or distress, execution or sequestration is levied or enforced upon, any of the property of the trust;
- 18.3.19.4 the trust is dissolved or terminated; or
- 18.3.19.5 any of you cease to be a trustee of the trust; or
- 18.3.20 if the purpose of all or part of the **mortgage** is for a **development**:
- 18.3.20.1 if there is a **building contract**, the **building contract** is terminated or any party to the **building contract** takes, or threatens to take, any formal step to terminate the **building contract**;
- 18.3.20.2 the **development** is not completed by the date set out in the **building contract** or, if no date for completion is set out in the **building contract**, such date as you have told us will be the date on which the **development** is completed;
- 18.3.20.3 if there is a **monitoring surveyor** appointed in respect of the **development**, we do not receive satisfactory confirmation from the **monitoring surveyor** that the **development** has been completed to an acceptable standard;
- 18.3.20.4 if there is no **monitoring surveyor** in respect of the **development**, we do not receive satisfactory confirmation from a surveyor, an architect or another professional approved by us that the **development** has been completed to an acceptable standard;
- 18.3.20.5 if you breach any of the terms of the **mortgage deed terms and conditions** applicable to the **development**; or
- 18.3.21 if the **property** is in Scotland, any other lender serves a calling up notice under the Conveyancing and Feudal Reform (Scotland) Act 1970 or, if the **property** is in England, any other lender appoints a receiver or exercises a power of sale in respect of the **property**.

19. Additional costs that you have to pay if the mortgage becomes immediately due and payable by you

- 19.1 If we sell the **property** (or any other asset that is affected by a **security document**) we will use the sale proceeds to repay the **mortgage** (in full or in part if the sale proceeds are not sufficient to repay the **mortgage** fully). If the sale proceeds do not repay the amount that you owe to us in full, you remain liable for the amount outstanding. **Interest** on the amount of the **mortgage** that remains outstanding will be calculated on the same basis as **interest** calculated under condition 8.
- 19.2 At any time after the **mortgage** has become payable immediately by you to us we will be entitled at your cost to break any **interest period** and/or fixed rate period that may be applicable to the **mortgage**.
- 19.3 If the **mortgage** has become immediately repayable by you to us we may also require you to pay an early repayment charge.

20. Interest and fees payable on unpaid sums

- 20.1 If you do not pay any sum due to us in connection with the **mortgage** on the relevant **payment date** (including any date for payment set by a court), then you will pay to us **interest** on the amount overdue calculated on the same basis as **interest** calculated under condition 8 for the period beginning on (and including) the relevant **payment date** and ending on (but not including) the date we receive the overdue sum. You will also pay to us arrears fees in accordance with the mortgage tariff included in the **mortgage offer** (or any updated mortgage tariff that we provide to you). **Interest** will not be payable on arrears fees.

Section F

General Terms

21. When we may transfer the mortgage and the security documents

- 21.1 We may assign, novate, transfer or otherwise dispose of all or any part of our rights and related interests and/or novate, transfer or otherwise dispose of all or any part of our obligations under this agreement and the **security documents** to any other person at any time. We may also grant security over all or any part of our rights and related interests under this agreement and the **security documents** to any other person at any time. We may pass on any **information** about you, this agreement or the **security documents** to any person in connection with any such assignment, novation, transfer, disposal or grant of security.
- 21.2 If we assign, novate, transfer or otherwise dispose of all or any part of our rights and related interests and/or our obligations under this agreement and the **security documents** to any other person at any time, we will only do so if we reasonably believe that the person to whom we propose to assign, novate, transfer or otherwise dispose of such rights and related interests or such obligations will exercise the rights and related interests and perform the obligations under this agreement and the **security documents** in a way that is no less favourable to you, to any material extent, than the way we do immediately before the transfer.
- 21.3 If we do assign, novate, transfer or dispose of this agreement and the **security documents** to another person your obligations under this agreement and the **security documents** will be owed to that other person in the same way as they are owed to us prior to such transfer.
- 21.4 You may not transfer all or any part of your rights or related interests or your obligations under this agreement or any of the **security documents** to any other person at any time.

22. When you may transfer the mortgage

- 22.1 You may transfer the **mortgage** to another property if:
- 22.1.1 we accept the other property as security for the **mortgage**;
- 22.1.2 you provide a valuation of the other property and any specialist reports or investigations as may be recommended by the valuer;
- 22.1.3 you provide a new **mortgage deed** in respect of the other property; and
- 22.1.4 you satisfy our other reasonable requirements in respect of the transfer of the **mortgage**.

23. Set off

- 23.1 If any amount you owe us under this agreement is due and payable, we may use any credit balance you have in any current account, savings account, notice deposit account, fixed term deposit account or any of your other accounts with us to reduce or repay the amount you owe us. This is called our right of "set-off". If we exercise our right of set-off we will do so in accordance with the applicable regulatory requirements. We may (i) use our right of set-off in respect of any amount you owe any other company within the Handelsbanken group of companies and (ii) set-off any amounts that any other company in the Handelsbanken group owe you against amounts you owe us (unless we are prevented from doing so by any applicable law or regulation).
- 23.2 You may not set off any amount that we or any other company in the Handelsbanken group of companies owe you against any amount that you owe us or any other company in the Handelsbanken group of companies.

24. Notices

- 24.1 Any notice we give to you under this agreement or under any of the **security documents** (other than a calling up notice or notice of default under the Conveyancing and Feudal Reform (Scotland) Act 1970), will be either:
- 24.1.1 sent to you by first class post at the address of the **property** or another address that you give to us. We will treat the notice as given on the second **business day** after the date when we post it; or
- 24.1.2 advertised in two or more daily national newspapers selected by us. A list of the approved newspapers approved from time to time by us for this purpose is available on request. We will treat the notice as given on the first **business day** on or by which the advertisement has appeared at least once in each of the selected newspapers.
- 24.2 If there is more than one of you, notice will be served on or addressed to all of you.

25. Waivers

If we choose not to enforce any of our rights and powers under this agreement or any of the **security documents**, this does not mean that we cannot enforce those rights at a later date. If you are in breach of the terms of this agreement or any of the **security documents** and we do not enforce our rights, this does not mean that we will overlook it if you are in breach of the same term or any other term at a later date.

26. New accounts

If we receive notice of any security or other interest in favour of someone else affecting the **property** after the **mortgage deed** has been signed, we may open a new account or accounts in your name. If we do not do so, we will still be treated as if we had opened a new account at the time when we received notice of another security or other **interest** affecting the **property**. As and from the date we receive that notice, all payments made by you to us will, notwithstanding any different instructions from you, be credited or treated as having been credited to the new account or accounts and will not reduce the amount owed to us in respect of the **mortgage** at the time the notice was received.

27. Administration and changes

- 27.1 These **terms and conditions**, the **mortgage offer** and the **mortgage deed** will not be affected in any way if any account that you have with us is allocated another account number by us or is transferred to another of our branches, offices or departments or by any changes to our administrative procedures.
- 27.2 If you do not hold a current account with Handelsbanken, we may at any time ask you to open and maintain a current account with Handelsbanken for the purposes of meeting the repayment obligations in respect of your **mortgage**.
- 27.3 If at any time any provision (or part of a provision) of this agreement is or becomes invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions of this agreement shall not thereby be affected, reduced or impaired in any way.
- 27.4 Any of our rights, related interests and/or obligations under this agreement and the **security documents** (including without limitation any administrative procedures that we perform in order to manage your **mortgage**) and any acts and things that we may do may be carried out by an agent acting on our behalf or by an agent of any of our successors, transferees and assigns.
- 27.5 We may change the terms of this agreement from time to time:
- 27.5.1 if such change is to your advantage;
 - 27.5.2 to comply with any changes or proposed changes in the law, taxation, regulations and/or our administrative practices; or
 - 27.5.3 with your consent.
- 27.6 We will write to you to tell you if we intend to change the terms of this agreement. We will give you at least 30 days' written notice if we intend to change the terms of this agreement. However, if we are required to change the terms of this agreement to reflect a change in the law, our regulatory requirements or any code of practice relevant to our mortgage lending business, we may give you less than 30 days' written notice, but we will give you advance notice as soon as reasonably practicable before the change in such law, regulatory requirement or code of practice comes into effect. Changes to regular payment amounts, the **payment date** or the **interest rate** will be notified to you in accordance with the **mortgage offer** and Section D of these **terms and conditions**.

28 Third party rights

If this agreement is governed by English law, a person who is not a party to this agreement or the **security documents** may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

29 Governing law

- 29.1 If you live in England or Wales this agreement is governed by and construed in accordance with the laws of England and Wales and you hereby submit to the non-exclusive jurisdiction of the courts of England and Wales.
- 29.2 If you live in Scotland this agreement is governed by and construed in accordance with the laws of Scotland and you hereby submit to the non-exclusive jurisdiction of the courts of Scotland.
- 29.3 If you do not live in England or Wales or in Scotland then (i) if the **property** is located in England or Wales this agreement is governed by and construed in accordance with the laws of England and Wales and you hereby submit to the nonexclusive jurisdiction of the courts of England and Wales and (ii) if the **property** is located in Scotland this agreement is governed by and construed in accordance with the laws of Scotland and you hereby submit to the non-exclusive jurisdiction of the Scottish courts.

Section G

Definitions and Interpretation

30. Definitions

- **“additional property”** means each additional property referred to in the **illustration** that is to be subject to either a legal charge (if the **property** is in England or Wales) or a standard security (if the **property** is in Scotland).
- **“agreed plans”** means the detailed architect’s drawings and building specifications for the **development** in form and content acceptable to us.
- **“base rate”** means the Sterling base lending rate of Handelsbanken plc from time to time.
- **“building contract”** means a Joint Contracts Tribunal or Scottish Building Contracts Committee Standard Form of Building Contract with the **contractor** and in a form acceptable to us for the construction of the **development** in accordance with the **agreed plans**.
- **“business day”** means a day (other than a Saturday or Sunday) on which banks are open for general business in London and the branch at which your account is located is open for business.
- **“contractor”** means a building contractor acceptable to us.
- **“consents”** means all necessary planning permissions, consents, licences, certificates, authorisations, building warrants, building regulation approvals or relaxations and other approvals and relaxations and agreements which may be required from any local or other competent authority or statutory undertaker or any fire officer in connection with the **property**.
- **“cost overrun”** means expenditure incurred or to be incurred over and above what has been projected in the **costings**.
- **“costings”** means detailed costings in respect of the **development** in form and substance and prepared by a surveyor/architect acceptable to us.
- **“development”** means the construction of a residential dwelling at the **property**.
- **“development costs”** means the costs detailed in the **costings** and incurred in the undertaking of the **development**.
- **“financial statements”** means audited annual profit and loss account, balance sheet and cash flow statement together with any related partners’ and auditors’ reports and the notes attached thereto.
- **“first fix stage”** means completion of the **property** to the point where the **property** is watertight and all internal walls have been plastered and first fix utilities have been installed.
- **“fixed rate”** means the fixed rate at which we are prepared to fix the **interest** on the **mortgage** as described in the **illustration**.
- **“illustration”** means the mortgage illustration provided by us to you setting out information about the **mortgage** that we have offered to you in terms of the **mortgage offer**.
- **“information”** has the meaning given to it in clause 33 of these **terms and conditions**.
- **“interest”** means, for any specified period, interest and any amounts in the nature of interest in relation to any money borrowed.
- **“interest rate”** means the rate of **interest** set out in the **illustration** or any other rate of **interest** that we may agree in accordance with the **mortgage offer**.
- **“interest only mortgage”** means the interest only mortgage described in the illustration and that we have offered to you in terms of the mortgage offer.
- **“interest period”** means each successive period for the payment of **interest** starting on the first day of an **interest period** and ending on the last day of such period.
- **“margin”** means the margin described in the **illustration** unless the margin is varied in accordance with the **mortgage offer** or these **terms and conditions** in which case **“margin”** means the margin as so varied.

- **“market valuation”** means (1) in regard to land or an **interest** in land over which we have security, the market value as that term is defined or referred to in the RICS Appraisal and Valuation Manual (current edition) published by the RICS and (2) in regard to any other asset over which we have security, the estimated amount which we would receive as a result of the sale of the same on the open market at the time a valuation is made but in any case after deducting (a) any amounts payable in respect of legal and other expenses connected with that sale and (b) the principal, interest and charges payable to any prior ranking creditor.
- **“material contracts”** means (i) the **building contract** and (ii) the contracts between the members of the **professional team** and you.
- **“monitoring surveyor”** means the relevant professional as may be appointed by us from time to time to monitor the progress of the **development**.
- **“monitoring surveyor’s certificate”** means a report prepared by the **monitoring surveyor** and addressed to us, in form and substance satisfactory in all respects to us, confirming (i) the value of the work in progress under the **development** (ii) that the expenditure incurred (for which payment is requested) is in accordance with the **costings** and the **agreed plans** (iii) that the **development** is making progress in accordance with the **agreed plans** and (iv) there is no outstanding cost overrun.
- **“mortgage”** means the **repayment mortgage** or the **interest only mortgage** described in the **illustration** and that we offer to make available under the **mortgage offer**.
- **“mortgage deed”** means the mortgage of the **property** in the form of a legal charge if the **property** is in England and Wales or a standard security if the **property** is in Scotland.
- **“mortgage deed terms and conditions”** means the mortgage deed terms and conditions of Handelsbanken plc which are incorporated in and form part of the **mortgage deed**.
- **“mortgage offer”** or **“offer”** means the written offer (including a consumer buy to let **mortgage offer**) we made to you setting out that we are prepared to provide to you the **mortgage** as described in the **illustration** and which includes these **terms and conditions**, as such offer may be amended, varied, supplemented, restated, substituted or novated from time to time.
- **“payment date”** means any date on which we ask you to make a payment of **interest** and or capital to us, as described in clause 6 of these **terms and conditions**.
- **“payment period”** means, in respect of the first payment of principal or **interest** by you to us under this agreement, the period from the first date on which we provide the **mortgage** to you until the first date on which we ask you to make a payment to us and then the period commencing on the previous **payment date** and ending on the next **payment date**.
- **“professional team”** means the **contractor**, architect, quantity surveyor, structural and other engineers, CDM coordinator and cost consultants together with such other professional persons from time to time employed by you in connection with the carrying out of the **development**.
- **“property”** means any property described in the **mortgage offer**, over which you or the person described as the owner in the mortgage deed (if that is not you) grant security in terms of the **mortgage deed**.
- **“rebuilding costs”** means the full cost of rebuilding, demolishing and removing debris from the **property** from time to time including all professional fees and the cost of meeting planning and local authority requirements.
- **“rental income”** means, the aggregate of all amounts paid to you in connection with the letting, use or occupation of all or any part of the **property** including:
 - rents, licence fees and any other moneys paid in respect of use and/or occupation of all or any part of the **property**;
 - any insurance proceeds in respect of loss of rent in respect of all or any part of the **property**;
 - any premium or other amount paid in respect of the grant, surrender or variation of any lease or other tenancy agreement.
- **“repayment mortgage”** means the **repayment mortgage** described in the **illustration** and that we have offered to you in terms of the **mortgage offer**.
- **“second fix stage”** means completion of installing and connecting all internal amenities including but not limited to all electrical fixtures, sinks and baths and internal doors.
- **“security documents”** means the documents, including the **mortgage deed**, listed in the **illustration** and any other documents entered into by you or any third party from time to time creating or evidencing any security right or guarantee in our favour.

- **“standard variable rate”** means the Sterling standard **mortgage** lending rate in the UK of Handelsbanken plc from time to time as determined by Handelsbanken plc and published and/or advised to you from time to time.
- **“terms and conditions”** or **“mortgage loan terms and conditions”** means the Mortgage Loan Terms and Conditions (February 2020) of Handelsbanken plc.
- **“total costs”** means the costs detailed in the **costings** and incurred in the purchase of the **property** and the undertaking of the **development**.
- **“variable rate”** means, where the **illustration** states that the **interest rate** applicable to your **mortgage** is variable, that rate as varied from time to time in accordance with the terms set out in the **mortgage offer** and these **terms and conditions**.

31 Interpretation

- 31.1 If two or more persons are named as the borrower in the **mortgage offer**, any obligations or responsibilities in the **mortgage offer** or these **terms and conditions** which affect or are given by these persons will be binding on each person separately and both of them together. This means that each person is responsible for the full amount owed to us and not only part of it.
- 31.2 Any reference to an Act of Parliament or other statutory provision includes any supplement, replacement or amendment to it and any subordinate legislation made under the relevant legislation.
- 31.3 Any reference to a person includes reference to a corporation, firm, company, partnership, joint venture, unincorporated body of persons, individual or any state or any agency of a state, whether or not a separate legal entity.
- 31.4 Any reference to any person includes that person’s assigns, assignees, successors in title or transferees.
- 31.5 Any words in the singular include the plural and vice versa.

References for Bank use only
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Handelsbanken

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