



Canada Life

Buy-to-Let Mortgage Terms & Conditions

England and Wales



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1. Introduction

- 1.1 This document sets out the terms and conditions which apply to your buy-to-let mortgage. They should be read together with our offer, the mortgage deed and the tariff of charges.

2. Definitions

In these terms and conditions certain words and phrases have specific meanings which are set out below and for your convenience are listed in alphabetical order.

“buy-to-let mortgage” means the offer, the mortgage deed and these terms and conditions;

“cash reserve facility” means the cash reserve facility (if any) in the amount shown in Section 6 of the offer;

“completion” means the date we first advance money under your buy-to-let mortgage;

“default” means any of the following:

- a) it comes to our attention that any information which you have provided to us when applying for the buy-to-let mortgage is inaccurate or untrue in any material way;
- b) the total outstanding has not been repaid within 12 calendar months of the date it became payable under these terms and conditions;
- c) the property is occupied by you or a related person or is let in a manner which breaches these terms and conditions;
- d) you break any of your other material obligations to us under these terms and conditions;
- e) you leave the property untenanted for a continuous period of 6 calendar months or more without our agreement;
- f) you become bankrupt, or if you enter into a composition or other arrangement with your creditors; or
- g) a Compulsory Purchase Order is made for the property.

“early repayment charge” means the amount you may have to pay us if you choose to repay all or part of the total outstanding early. How we decide whether we require an early repayment charge, and how we calculate this, is described in Section 13 of the offer;

“estimated term” means the estimated duration of your buy-to-let mortgage as set out in Section 5 of the offer;

“flexible cash release payments” means the amounts of flexible cash payments made under the terms referred to in Section 14 of the offer and Condition 10 of these terms and conditions and up to the maximum limit of the cash reserve facility;

“further advance” means the amount of any additional money we may lend you during the term, as described in Condition 13 of these terms and conditions, not being a flexible cash release payment;

“interest rate” means the rate(s) of interest set out or referred to in Section 5 of your offer;

“letting criteria” means the requirements we have for how the property is to be let, on what terms and to whom, as set out in the offer and these may change as described in Condition 15.3 of these terms and conditions;

“offer” means our written offer(s) to provide you with a loan (as amended from time to time), including any subsequent written offer(s) to provide you with a further advance and in each case incorporating any special conditions;

“mortgage deed” means the document which gives us security over the property for the total outstanding and which incorporates these terms and conditions;

“mortgage loan” means the total amounts advanced under your buy-to-let mortgage;

“proceeds of sale” means the price at which the property is sold, less solicitors’ and estate agents fees;

“property” means the property described on the first page of the offer or such other substituted property as we accept as security for the total outstanding pursuant to Condition 13 of these terms and conditions;

“related person” means your spouse, civil partner, parent, grandparent, brother, sister, child, grandchild or any person (whether or not of the opposite sex to you) whose relationship to you has the characteristics of the relationship between husband and wife);

“repayment date” means the date you repay the total outstanding;

“tariff of charges” means the booklet which we have given you called “our charges” setting out the costs and charges associated with your buy-to-let mortgage. We will review these costs and charges from time to time and can change them or introduce new costs to reflect any reasonably incurred costs resulting from changes in the services we provide or the level of our costs in providing services or otherwise administering mortgage accounts, or from any additional requirements on us from changes in legal or regulatory requirements. We will make sure any change is proportionate to the reasons for it. If we change any of them we will send you a new booklet;

“term” means the period from completion to the repayment date;

“total outstanding” means the total of all money you owe to us at any time under your buy-to-let mortgage;

“transferee” means anyone who is entitled to exercise any of our rights under the buy-to-let mortgage as a result of any transfer by us under Condition 20 of these terms and conditions;

“valuer” means any person who provides (or has provided) us with a professional opinion of the value of the property.

3. Interpretation

- 3.1 In these terms and conditions “we”, “our” and “us” means Stonehaven UK Ltd (trading as Retirement Advantage) and any successor or transferee and “you” or “your” means the borrower or borrowers named in the offer and includes your personal representatives and executors and anyone claiming any right or interest from or through you.
- 3.2 If there are two of you, your obligations under your buy-to-let mortgage are joint and several so that you will each be fully liable to us for the whole of the total outstanding.
- 3.3 In the event of any conflict between the provisions of the offer and these terms and conditions, the offer will prevail.

4. Conditions

- 4.1 Before we make your mortgage loan we must receive the following documentation and in each case we must be satisfied with its form and content:
- 4.1.1 the mortgage deed signed by you;
- 4.1.2 confirmation from your solicitor that he or she has fully and clearly explained to you the terms of the buy-to-let mortgage and the implication for you and for your estate of entering into the buy-to-let mortgage and the situations in which it will become payable;
- 4.1.3 confirmation from our solicitor that you have good and marketable title to the property (including where there are joint borrowers that the property is owned by both of you) that any tenancies under which the property is then let comply with our letting criteria and that there are no outstanding mortgages, charges or encumbrances over the property or that they will be discharged at the completion and that all our conditions have been met;

- 4.1.4 confirmation that the property is insured in accordance with Condition 16.1.4 of these terms and conditions including a declaration as referred to in that Condition.

5. Completion

- 5.1 Completion will take place as soon as reasonably possible after the conditions specified in Condition 4.1 of these terms and conditions have been satisfied.
- 5.2 On completion we will pay the initial advance under the mortgage loan to your solicitors less any amounts retained under any special conditions set out in your offer.
- 5.3 Where completion is conditional on redemption of existing mortgage(s), our solicitors will retain sufficient funds to redeem the existing mortgage(s) and the balance of initial advance under the mortgage loan less any retention referred to in Condition 5.2 of these terms and conditions will be sent to your solicitors.
- 5.4 If prior to completion:
- 5.4.1 it comes to our attention that any information which you have provided to us when applying for the buy-to-let mortgage is inaccurate or untrue in any material way; or
- 5.4.2 there is a material reduction in the value of the property; or
- 5.4.3 in our reasonable opinion there is any other reason why it is no longer appropriate for us acting as a reasonable and prudent lender to make the buy-to-let mortgage;
- we can withdraw the offer.

6. Interest

- 6.1 The interest rate is fixed for the term and will be set out in the offer, except as provided in Condition 6.2 of these terms and conditions.
- 6.2 The interest rate which applies to flexible cash release payments will be fixed for the rest of the term from the date an advance of a flexible cash release payment is made in the manner described in Section 14 of the offer and Condition 10 of these terms and conditions.
- 6.3 We will calculate interest daily on the total outstanding (including any unpaid fees and expenses) from the date on which each amount was advanced or incurred. This means for flexible cash release payments interest will only be charged from the date monies are advanced to you.
- 6.4 Where different interest rates apply to your mortgage loan, interest on any costs and charges which you incur will be charged on a pro rata basis.

6.5 Interest is compounded monthly. This means that at the end of the month we will add the interest for the previous month to your mortgage loan increasing the total outstanding. We will then charge interest on the new total outstanding. Details of the effect of this compounding on the total outstanding can be seen in Section 8 of the offer.

6.6 At least once in every year throughout the term we will send you a statement showing how much interest we have added to your mortgage loan and the amount of your total outstanding.

7. Repaying your Buy-to-Let Mortgage

7.1 You must repay your buy-to-let mortgage in full by paying us the total outstanding when the first of the following events in Conditions 7.1.1 to 7.1.3 of these terms and conditions happens:

7.1.1 If you are the only borrower:

(a) when you die;

7.1.2 If you are joint borrowers:

(a) when you have both died.

7.1.3 If there is a default.

7.2 Whenever you repay the total outstanding you will also have to pay any redemption or other fee shown in the tariff of charges. You may also have to pay an early repayment charge.

7.3 When you have to repay the total outstanding under Condition 7.1.1 or 7.1.2 of these terms and conditions you or your personal representatives will have a period of 12 months from the date the event occurs in which to repay the total outstanding. If the total outstanding is to be repaid from the proceeds of sale you or your personal representatives must notify us as soon as possible. Condition 8 of these terms and conditions applies to any sale of the property by you or your personal representatives.

7.4 If Condition 7.3 of these terms and conditions applies and the property is not sold within 12 months of the total outstanding becoming repayable, or if the event in Condition 7.1.3 of these terms and conditions occurs, we can take possession of the property and sell it to recover the total outstanding.

8. Sale

8.1 You may sell the property at any time but you must repay the total outstanding including any early repayment charge in order for us to release the mortgage deed over the property.

8.2 You or your personal representative must give us prior notice of the intention to sell the property and provide us with such information as we may reasonably require including price, sale particulars, costs of sale, and solicitor's details.

8.3 To ensure that the property is sold at the best price reasonably obtainable we may ask our Valuer to value the property. If we do the valuer's fee will be added to the total outstanding.

8.4 Where you or your personal representatives propose to market the property at a price which is less than the total outstanding, you must notify us in writing and we will agree an asking price with you or your personal representatives. We may review this asking price every 6 months and may ask our Valuer to obtain a new valuation. If we do the Valuer's fee will be added to the total outstanding.

8.5 If we are unable to agree a sale price the matter will be referred to a surveyor who is acceptable to you and us. If the parties cannot agree a surveyor within fourteen days, both parties agree to accept the appointment suggested by the President of the Royal Institute of Chartered Surveyors.

8.6 The surveyor will be acting as an expert and his decision will be final and binding and determine the asking price. Any sale must be at arms length on the best terms reasonably available.

8.7 The property may not be sold at a price less than the asking price agreed with you or your personal representatives or determined in accordance with Conditions 8.5 and 8.6 without our prior consent.

9. No Negative equity guarantee

9.1 We confirm that you will not have to pay us more than the proceeds of sale, as long as the property is sold at arm's length and at the best price reasonably obtainable. Please see Section 6 of the offer.

10. Cash Reserve Facility

10.1 This Condition 10 applies only if you have a cash reserve facility.

10.2 When we receive a request for any flexible cash release payment we may provide you with an offer for that flexible cash release payment which you will need to accept. We will endeavour to release the payment as soon as is possible, subject to any bankruptcy checks required and our charge having been fully registered with Land Registry.

10.3 As stated in Sections 7 and 14 of the offer we may decline any such request. In addition we may withdraw or reduce the available cash reserve facility in the following circumstances:

(a) change of ultimate ownership or control of us or if there is a transfer of legal title to our rights under your mortgage loan;

(b) we become insolvent, are subject of any order or petition for winding up or administration or if we enter into any arrangement or composition with creditors;

(c) we are no longer authorised by any applicable regulatory authority to make flexible cash release payments;

(d) we are unable to fund outstanding cash reserve facilities to customers because of any regulatory change or other change in our circumstances;

- (e) any default occurs;
- (f) the total outstanding has become due and payable under your mortgage loan or if you repay the total outstanding;
- (g) the total outstanding exceeds 85% of the value of the property (or would exceed such amount if a flexible cash release payment was made);
- (h) if the property is sold; or
- (i) if the property is owned by you as tenants in common (your solicitor can explain this term to you).

10.4 From the date any flexible cash release payments are made the amount of any such flexible cash release payments will form part of the total outstanding and will accrue interest at the then prevailing interest rate as set out in the offer.

11. Early Repayment Charge

11.1 Section 13 of the offer sets out the circumstances in which you may have to pay us an early repayment charge and how this is calculated. Please read it carefully.

12. Further Advances

12.1 We will consider an application for further advances at any time where you have kept to the terms of your buy-to-let mortgage.

12.2 To decide whether or not we will agree to make a further advance we will apply our then current lending criteria. This includes such things as the type and value of properties we are willing to accept as security for our loans and the minimum and maximum amounts we are willing to lend.

12.3 We are not committed to making any further advances.

13. Transfer from Joint Names to Sole Name

13.1 If there are two of you and you wish to transfer the property to only one of you, you must ask for our consent and we will charge a fee as set out in our tariff of charges.

13.2 As long as you have kept to these terms and conditions, we will release whichever of you has transferred their interest in the property from your obligations to us.

13.3 The mortgage deed and these terms and conditions will remain in place for the remaining borrower. In these terms and conditions references to you will then only apply to the remaining borrower.

14. Transfer from a Sole Name into Joint Names

14.1 If you are the only owner of the property, but would like to add another person to the buy-to-let mortgage, you must ask for our consent and we will charge a fee as set out in our tariff of charges.

14.2 Where you have kept to the terms of the buy-to-let mortgage and the joint borrower is older than you, we may give our permission and treat you as joint borrowers.

14.3 If we agree you will be required to:

14.3.1 transfer the ownership of the property into your joint names; and

14.3.2 both sign the documents required to put this arrangement into effect.

14.4 Where the other joint borrower is younger than you but still qualifies for a mortgage loan under our then current lending criteria, and if we agree to the other borrower being joined, you may have to repay part of the total outstanding including any early repayment charge. Whether or not you have to repay part of the total outstanding will depend upon your balance at the time and how much you would be entitled to borrow based on our then current lending criteria.

15. Tenants and Occupiers

15.1 Neither you nor any related person may occupy the property as a dwelling.

15.2 You must use reasonable endeavours to let the property to tenants on terms which satisfy our letting criteria.

15.3 The offer sets out what our letting criteria are at the time we make the mortgage loan but we may change our letting criteria (including introducing new requirements) as we see fit at any time. We will give you at least 1 month's notice of any change though if an existing tenancy was acceptable before a change it will remain so for the unexpired term of that tenancy.

15.4 You must not let the property in any other manner or otherwise share possession of the property in any way without our written consent.

15.5 You must ensure that the tenant complies with their obligations under the tenancy.

16. Your Obligations

16.1 During the term you agree to:

16.1.1 keep to all your duties to us under the buy-to-let mortgage;

16.1.2 keep the property in good repair and condition and make sure any tenants do so;

16.1.3 permit us (or anyone we may authorise) to inspect the property at any reasonable time on reasonable notice;

- 16.1.4 keep the property insured against loss or damage by fire and such other risks as is usual for residential property which is being let. The sum insured must be sufficient to restore the property to its present condition (including the cost of any demolition, planning applications and architects plans) and it must be index-linked, so that it is automatically increased annually to match house-price inflation. The insurance company must be a company approved by us (we will not unreasonably withhold or delay our approval) and you must supply us with a declaration of your compliance with this requirement in a form we supply you or your solicitor from time to time;
- 16.1.5 comply with all local planning authority requirements affecting the property;
- 16.1.6 notify us immediately if you receive any notice relating to planning matters. If the notice reasonably requires you to do anything you must do it. If we (acting in good faith) require you to join with us in objecting to or contesting the notice, you must do so;
- 16.1.7 save with our prior written consent, allow the property to be used only as a private dwelling house for occupation in accordance with Condition 15;
- 16.1.8 notify us if you acquire any land adjoining the property. If we require a legal charge on the land as additional security for the total outstanding you must sign a suitable deed which we will provide for this purpose;
- 16.1.9 where the property is leasehold, you must punctually pay any rent and service charges payable for the property and you will tell us if you buy the landlord's interest or a share of that interest. If we require a legal charge on the interest or an assignment of the share as additional security for the total outstanding you must sign a suitable deed which we will provide for this purpose;
- 16.1.10 where there is a management company to look after any part of the property, and you own one or more shares in the company, you must give to us a charge on the shares. If we ever sell the property, we will also transfer the share or shares to the purchaser;
- 16.1.11 comply with all legal restrictions on the property or its use which are shown at the Land Registry or which otherwise affect the property and any obligations on you as landlord in relation to the letting of the property.
- 16.2 You agree not to:
- 16.2.1 create or allow to exist any other mortgage on the property other than in favour of us;
- 16.2.2 allow anyone else to move into the property without our consent, except by letting the property in a way which satisfies our letting criteria;
- 16.2.3 sell the whole or any part of the property without our consent;
- 16.2.4 waive, vary or release any rights you may have against any tenant or occupier in a way which could adversely affect us;
- 16.2.5 alter the property in any way which would materially affect its value without our consent;
- 16.2.6 leave the property untenanted for a continuous period of 6 calendar months or more without our consent;
- 16.2.7 do anything which will or is likely to invalidate insurance of the property.
- 16.3 If you wish to do anything which needs our consent, you must pay our reasonable costs for considering your request.
- 17. Our rights**
- 17.1 If you do not do something which you have agreed to do, we may do it, but we are not obliged to do so. In order to exercise our rights we may enter the property if (acting reasonably) we consider it necessary (for example, to carry out repairs or to carry out a valuation). If we do this we will not be regarded as a mortgagee in possession.
- 17.2 If we reasonably incur any costs or expenses in exercising our rights you must reimburse us. Until you reimburse us, we may treat those costs as amounts due under your buy-to-let mortgage. We will charge interest on these costs and expenses at the interest rate.
- 17.3 Section 93 of the Law of Property Act 1925 which restricts our ability to consolidate mortgages, shall not apply to the mortgage deed.
- 17.4 If you ask us for any approval or permission under these terms and conditions, you must pay our reasonable costs and expenses for considering the request, even if we refuse it. If you do not pay us we may treat those costs and expenses as amounts due under your buy-to-let mortgage. We will charge interest on those costs and expenses at the interest rate.
- 17.5 If there is a default, as well as our other rights under these terms and conditions and the mortgage deed, we shall have the following additional rights:
- 17.5.1 we will be entitled to immediate repayment of the total outstanding; and
- 17.5.2 we may sell the property under the power of sale given to us by the Law of Property Act 1925. We may use the proceeds of sale to repay the total outstanding.
- 17.6 Our right to sell the property will continue even if you remedy the default.
- 17.7 If we sell the property, we shall deduct from the total outstanding (including selling costs and our expenses) from the proceeds of sale. We will pay any surplus to you or, if you have died, to your estate.

18. Appointment of receivers

- 18.1 The Law of Property Act 1925 gives us the right to appoint a receiver over the property. Where we appoint more than one they will act jointly and severally.
- 18.2 We may give any receiver we appoint any powers and authorities which we think are necessary or appropriate. The receiver may exercise any right or power we have. If we do this we will not be regarded as a mortgagee in possession of the property.
- 18.3 Any receiver we appoint will be regarded as your agent and we will not be responsible for their actions and omissions but you alone will.
- 18.4 We may agree payments to any receiver we appoint although you will be responsible for payment of the receiver.
- 18.5 If we appoint a receiver we may take out any indemnity insurance reasonably required by the receiver in connection with his appointment. You will be responsible for the cost of this.
- 18.6 At any time after taking possession of the property or appointing a receiver we may give up possession or cancel the receiver's appointment. If we decide to do this, we will tell you as soon as possible.
- 18.7 If we or a receiver take possession of the property, we may remove any personal belongings which you leave behind. We may sell those belongings or store them on your behalf.

19. Further powers

- 19.1 You agree to sign any document and do anything else which we reasonably request you to do in order to:
- (a) perfect or improve any security created or intended to be created for the repayment of the total outstanding;
 - (b) help the exercise or the proposed exercise by us or any of our powers under the buy-to-let mortgage;
 - (c) protect, manage or sell the property or any other security for the repayment of the total outstanding.
- 19.2 You appoint us (and any receiver if applicable), to be your attorney to execute any document, or do any other thing, which you are required to do under these terms and conditions. The attorney will be legally entitled to do these things on your behalf and their acts will bind you as though you had done them.

This appointment is by way of security and may not be revoked until the total outstanding has been fully repaid.

- 19.3 We will be entitled to delegate this power of attorney to third parties where (acting reasonably) we consider it necessary to help the exercise of our powers.
- 19.4 We will not be liable for anything which is done under the power of attorney unless we have not used reasonable care in exercising the power.

20. Assignment

- 20.1 We can assign, sell, transfer or otherwise deal with any of our rights under the offer, the mortgage deed or these terms and conditions to any person at any time.
- 20.2 By entering into your buy-to-let mortgage you consent to the transfer of our rights, in law or in equity, without any further consent being required from you.
- 20.3 You agree that we may provide any actual or potential transferee any information about you, your buy-to-let mortgage, the property, your adherence to the terms of the buy-to-let mortgage and any other information which we reasonably consider appropriate in connection with the potential or actual transfer.
- 20.4 Any transfer or assignment will be made subject to your existing rights under the buy-to-let mortgage and the transferee can only exercise our rights and enforce your duties to the same extent as we could before the transfer.

21. Variation

Without in any way limiting our rights to vary any aspect as set out elsewhere in the terms and conditions, we may also vary these terms and conditions in a manner which is not prejudicial to you to reflect a change in the law or any code of practice or the way in which they are applied, to correct inaccuracies or errors or to make the terms and conditions clearer, or to reflect changes to our systems and processes (including those of transferees) and will advise you as and when appropriate.

24. Law

These terms and conditions are governed by the laws of England and Wales.

